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Ramos Opens 9th ASEAN Labor Ministers' Meeting

HK2611114392 Quezon City Radyo ng Bayan in Tagalog 0258 GMT 26 Nov 92

[Speech by Philippine President Fidel Ramos at the opening of the Ninth ASEAN Labor Ministers' Meeting at Malacanang Palace, Manila—live, in English]

[Text] Your excellencies of the ASEAN labor ministries, as well as the distinguished members of your respective delegations, your excellencies of the diplomatic corps, heads of international agencies, our co-workers in government, members of the Senate and the House of Representatives, the Cabinet, all the other delegates to this Ninth ASEAN labor ministers meeting, ladies and gentlemen:

On behalf of the people and government of the Philippines, I am proud to welcome all of you to Manila and to open this important conference of the ASEAN labor ministers. This year, we in the Philippines have had the high honor of hosting many top-level ASEAN conferences and I the privilege of addressing all of them. And as we in the Philippines have hosted these meetings, so have your respective governments done the same for other ASEAN conferences in your capitals.

The frequency of ASEAN meetings nowadays and the high importance we all attach to them reflect the enormous changes that have taken place and are taking place in the world. This is our way of responding to change: That we strive to transform change into opportunity for our respective countries and for our region.

With the end of the Cold War, we see Europe not only dramatically changing, but the very complexion of international life itself is changing. In our own region, two of our countries have witnessed leadership changes in government in 1992 alone. And all of us, in our own way, have experienced key transitions in our own domestic affairs. These changes in international life have clearly been salutary [word indistinct] for peace and stability in the region. They also highlight for all the contrasting realities of increasing interdependence that heightened economic competition among nations. Nearly every nation today is trying to adjust structurally to the demands of a new time. And then regional blocks have of late also been trying to shape a collective response.

In Europe, the European Community is dynamically moving toward a union. In North America, the United States, Canada and Mexico have created a North America Free Trade Zone for [word indistinct]. Amidst all these changes, one thing is also clear to us here in ASEAN—that is, that we cannot stand still, we all have to labor. We too must strive to maintain our momentum, to improve upon instruments and policies for economic cooperation and advantage, so that we will not only maintain our position in the world, but also enhance it. It is in this light that our governments recently committed themselves to the establishment of the ASEAN Free Trade Area. ASEAN brings to this challenge of adjustment a redoubtable record of growth.

As the world enters the 1990's, we in ASEAN have been confronted with the general slow down of growth and bleak economic prospects in the Western world. Yet from the gloom of recession, ASEAN has been sustaining dynamic economic growth that is widely regarded as the fastest in the world. Economic forecasters have predicted that this growth will continue to be robust at least until 1993. Beyond that, however, they forecast that the other regions would regain their competitive advantage.

It follows from this that future growth within our region will depend entirely on our resiliency and quickness in effecting the necessary structural adjustments, not only to respond to problems internal to its member-country or to the region, but also to the challenges posed by other regions.

ASEAN has largely escaped the dampening effects of world-wide recession by relying on inter-dependence and complimentation [as heard] to increase intraregional trade and expansion of domestic markets of its member states. If it is to sustain its pace of development and its comparative advantage going into the 21st Century, ASEAN must progressively broaden the space of interdependence and cooperation. This is the direction which now demands our common attention towards more intensive and sincere efforts in furthering cooperation, particularly in reducing barriers to trade, encouraging technology transfer, and most important, implementing human resource development programs responsive to the needs of modernization.

This challenge of the human resource front requires particular focus from this crucial meeting in Manila, for it is you, our labor ministers, who can best define for our governments and for ASEAN how best we can [words indistinct] path of both challenge and opportunity. The fundamental task can be plainly stated and that is: How can we in ASEAN effectively harness our human resources for sustained regional economic growth in an environment of greater local competition? We may use different terms for the process. We in the Philippines see it as the process of empowering our workers, which is a major component of our national vision of empowering our people. But essentially our concern is the same: We seek not only jobs for our workers, we want to train them so as to upgrade their skills and increase their productivity, for the productivity of human resources, no less than the productivity of capital, is in the nature of the competition we are facing.

This task will require institutional changes cutting across national borders. We need to anticipate changes on a broad range of factors and issues, and allow me to cite some of them.

First, industrial and technical development in this decade will generate jobs that require manpower with a higher degree of skills and techniques. Manpower resource policies, both on a national and regional scale, must therefore anticipate and meet the expected demands for new and more demanding human capabilities, self-reliance and initiative.

Second, if we expect to compete with other trading blocks, we must be able to restructure our work force in two main areas. One, we must be able to upgrade the work force from the production of goods which requires low-grade skills to the production of high-value goods which requires high-tech skills. And, two, we must be able to redirect its concentration from the agricultural sector to the industrial and the service sectors.

I should mention here that the emergence of ASEAN as the world's leading growth center is all the more remarkable because the large segment of our labor force is still in agriculture. If ASEAN continues to upgrade its infrastructure and liberalize its investment policies, there is no doubt that large-scale industrialization will be the next step. This will correspondingly expand our industrial sector and require of our manpower new levels of productivity.

Third, heightened economic growth will necessitate some adjustments in labor administration in the short-term. The emphasis on competitiveness and efficiency—and in the Philippines this includes the renewed vigor to privatize government corporations and bring about streamlining of business operations and a consequent increase in unemployment and possible industrial restiveness.

It is important that we establish, therefore, a national and regional network to monitor the extent of worker displacement with a view to retraining and eventually re-employing those affected in the context of developmental needs. Or, considering the imbalances in labor markets within the region, the pooling of manpower should provide member countries with a steady supply and should complement each other's manpower inadequacies. This is of particular interest to us in the Philippines because we have a labor surplus at present.

We urge ASEAN, therefore, to consider establishing an intra-regional mechanism that would enable all of us to keep track of the availability of skilled manpower in the region and ensure equal access to highly skilled workers for any member country in need of them.

Indeed, we must recognize emerging and special forms of employment arrangements, particularly sub-contracting, casualization of workers, piece trade workers, and outworking. The magnitude of their contributions to economic growth demands that we develop a protection and welfare-oriented response to workers involved in these special arrangements. Of these and other areas, there are many things that we can do together and thereby strengthen economic development in our countries and in the region.

Just as capital and trade are beginning to move freely within ASEAN, we must spur cooperation as well in the sphere of human resources. We in the Philippines view ASEAN's economic dynamism as something that helps our own development in a very significant way. For development is something that we can all win together and not at the expense of one another. This is what we have discovered in ASEAN. And this I can certainly prove even truer in the international environment before us where the nations are more and more organizing as economic blocs. This much I can tell you now about the Philippines.

We are confident that during the six years of my administration, we will bring the Philippines in pace with the development of the rest of ASEAN. Under the Philippine medium-term development plan for 1993 to 1998, the general targets are to reduce mass poverty and income inequality, generate more industrial jobs and expand investments in education, health care and skills training for our people. The targets of the plan are: 10 percent GNP growth by 1998, per capita income of at least US$1000 and poverty incidence down to 20 percent.

We move away from the inward and insular economic policies of the past by liberalizing our economy and opening it up some more to foreign investments, trade and tourism. We have a new foreign investments code that cuts down cumbersome bureaucratic restrictions. We have likewise lifted controls on foreign exchange transactions.

Consistent with our international commitments particularly in the context of the ASEAN Free Trade Area, we are moving progressively toward the reduction of tariffs and qualitative restrictions on most imports. And here, in anticipation of increased investments, we have allocated a large part of our budget toward the development of infrastructures including a full-scale energy and power development program.

Only yesterday, we have been informed officially that the proposed Department of Energy bill which was among the most urgent and priority items in our legislative agenda in this administration was passed by both Houses of Congress and within a few days I expect to sign that bill into law. Accompanying this is also the passage of another administration bill to increase the capitalization of our National Power Corporation. This, too, will become a law.

In anticipation of increased investments inflow, we have also increased our allocations for the other components of our infrastructure development program.

And, finally, in keeping with the long-standing tradition, we are investing heavily in our people through education, health and other services to respond to the anticipated needs of industrialization and globalization. We have adopted a manpower development program designed along national and regional developmental imperatives.

So, my dear friends, when you look at our region today, it is true that there continue to be many things in which our countries and our peoples are different. Yet, there is much, much more which we share in common. And one of the most enduring bonds that we have is the ardent aspiration of all of our peoples to modernize and for government to respond to their clamor to tackle the tasks of development.

When the full story of ASEAN's resurgence is analyzed, I suspect that in the end this will not be explained by the investments made in our economies. Our progress, and our progress in the future will be explained by the people, our people who made it all happen. This, I submit, is what your conference is really all about. It is about the critical role of our people and the labor force in the development of our countries and our region. People are the key and the labor force, their vanguard.

On this note, I now declare this Ninth ASEAN Labor Ministers Conference open and wish you all a productive and a happy meeting. Thank you and good day.

Japan Promises Increased Trade, Aid for ASEAN

HK2711134092 Quezon City ABC-DWET Television in Tagalog 1000 GMT 27 Nov 92

[From the "ABC-DWET News Program"]

[Text] Japan has promised ASEAN it will expand trade and cooperation in the fields of infrastructure, technology, and environment conservation. Joey Guilas reports on the ASEAN-Japanese Businessmen's Meeting.

[Begin Guilas recording] The 18th conference of private businessmen from ASEAN and Japan ended this afternoon at the Manila Hotel.

The effects of the ASEAN Free Trade Area [AFTA] on the relations between ASEAN and Japan was discussed during the two-day conference. The aid Japan can provide in putting up infrastructures, industrial support to ASEAN countries, and conservation of nature and the environment was also discussed.

On AFTA, Japan asked ASEAN members to be open-minded in trade and technology exchange. ASEAN delegates, on the other hand, asked for greater participation in the Japanese market.

At present, Japanese investment levels in ASEAN are low. But the Japanese promised to increase their investments in the region, especially since their excess funds amount to $110 billion, which can be invested in the region.

In infrastructure, the ASEAN countries agreed to ask for aid in advancing technical knowhow through closer cooperation with Japan.

Japanese businessmen said industries like automotive and appliance spare parts manufacturing should be expanded in ASEAN to serve as a key to their industrialization.

The delegates were unanimous on the environment—that it should not be sacrificed in the name of progress. Japan promised aid totalling $8 billion for its conservation. [end recording]

Singapore Urges Continued U.S. Asian Military Presence

BK0112071992 Kuala Lumpur BERNAMA in English 0415 GMT 1 Dec 92

[Text] Singapore, Dec 1 (OANA-BERNAMA)—A continued United States military presence in Asia-Pacific was vital to maintain stability while a new regional order evolved. This was the view of Singapore Defence Minister Dr. Yeo Ning Hong, who said any sharp reduction in U.S. military presence would be interpreted as a weakening of American resolve and commitment.

Speaking at a luncheon talk organised by the Foreign Correspondents Association here, he said with the Cold War over, the challenge in the Asia-Pacific was to maintain stability and a measure of predictability while a new regional order evolved.

"This could create a vacuum with potentially destabilising results, prompting countries like China and Japan to beef up their military to take up the slack," he added.

Dr. Yeo said although U.S. President-elect Bill Clinton has stated his intentions to pursue continuity in U.S. foreign policies, pressures on him to focus on domestic problems, if necessary at the expense of its commitment overseas, would not disappear.

One solution was to minimise the cost of the U.S. presence to make it acceptable to an America that was no longer the economic superpower [word indistinct], he added.

Dr. Yeo said more creative means of burden-sharing must be explored, bearing in mind that U.S. [word indistinct] doctrines also call for a switch from having forward bases to having access in friendly countries.

Countries in ASEAN, including Singapore, have made available their air and naval facilities for transit, maintenance, and repairs and these would go some way to lower the overall costs for U.S. presence in the region, he added.

Ultimately, U.S. leaders must convince Americans that a weak U.S. presence in Asia-Pacific is not in the interest of the Americans themselves, both strategic and economic, he said. Dr. Yeo said Japan, with its new economic superpower status, naturally aspired to play a greater international polctical role, thus arousing some nervousness among its neighbours, in particular China and Korea.

"A larger Japanese political role will not be controversial if Japan acts within the United Nations framework," he added.

However, he warned that if, in response to a reduction in U.S. forces, Japan returned to militarism, China and Korea could be expected to react rapidly by diverting their meagre economic resources to military capabilities.

"An arms race in Northeast Asia will raise tension and uncertainty in the entire region and set back the present economic momentum for decades," he said.

Dr. Yeo said a continued U.S. commitment to security in the Asia-Pacific and a healthy U.S.-Japan alliance were therefore crucial to reassuring Japan and maintaining continued stability in the region.

In the case of China, he said Beijing's assertiveness in her claim of all the Spratly Islands had aroused distrust and suspicion among the other five claimants to some of the islands.

A China at peace with her neighbours could attract sufficient investments, trade, and technology, to sustain double digit growth beyond the 21st century, he added.

"However, if China's pursuit of its Spratly claims were to heighten tension in the region, this may lead to a slowdown in investment and trade, resulting from caution, uncertainty, or worse, official or unofficial boycotts and embargoes," he said.

Dr. Yeo said if China continued with her economic reforms and became further enmeshed in the international economy, the incentive for her to behave responsibly and preserve the world order would grow.

The recently concluded 14th Congress of the Chinese Communist Party had unambiguously supported the open-door policy and faster economic reform, he added.

"This signals that China wants to concentrate on modernising her economy. A stable and prosperous China, at peace and cooperating with its neighbours, will add to the momentum of growth in the region," Yeo said.

Thai Minister Arrives for Colombo Plan Meeting

BK2811141192 Rangoon Radio Burma in Burmese 1330 GMT 28 Nov 92

[Text] Colonel Chinnawut Sunthonsima, Thai minister in the Prime Minister's Office, his wife; delegation member Dr. (Ram Charan Nahat), deputy chairman of the Nepal National Planning Commission; Brigadier General Chin Siat Yoon, Bangkok-based Singapore ambassador to Myanmar [Burma] and two delegates; two delegates from Iran and a delegate from the Colombo Plan Bureau have arrived in Yangon [Rangoon] by air this afternoon to attend the 34th Colombo Plan Consultative Meeting.

The members of the Nepal, Thai and Singapore delegations were welcomed at the airport by Brig. Gen. Abel, minister for planning and finance; Brig. Gen. Win Tin, deputy minister; and members of the Welcoming Committee.

Philippine, Laotian Ministers Arrive

BK2911143292 Rangoon Radio Burma in Burmese 1330 GMT 29 Nov 92

[Text] Mr. Armand Fabella, Philippine education minister and Mr. Souban Salitthilat, Laotian deputy foreign minister, arrived in Yangon [Rangoon] by air this evening to attend the 34th Colombo Plan Consultative Committee Meeting.

The ministers and members of the delegation were welcomed at the airport by Brigadier General Abel, minister for planning and finance; Brig. Gen. Win Tin, deputy minister; members of the welcoming subcommittee and responsible personnel.

Burmese Deputy Premier Delivers Address

BK0112035892 Rangoon Radio Burma in Burmese 1330 GMT 30 Nov 92

[Opening address by Vice Admiral Maung Maung Khin, deputy prime minister of the Union of Myanmar [Burma] at the opening ceremony of the ministerial meeting of the 34th Colombo Plan Consultative Committee Meeting held at 0930 on 30 November at the Inya Lake Hotel, Rangoon—read by announcer]

[Text] I am most honored and delighted to have the opportunity to open and deliver an address at today's 34th Colombo Plan Consultative Committee Meeting. I would first like to extend my warm welcome to the delegates and express my best wishes for the physical and mental well-being of the delegates during the course of the meeting.

We are happy to have the opportunity of hosting this meeting and this is the second time such a meeting is held in Myanmar since the Colombo Plan was formed. While we have the opportunity of hosting this meeting, I would like to say that our country is an active and enthusiastic member of the Colombo Plan, and like other members, we have enjoyed enormous benefits in the past from the plan.

The Colombo Plan is an exclusive club, the primary objective of which is to have the less-developed members formulate and implement their development strategies and programs by rendering technical assistance and cooperation oriented toward economic and social advancement tailored to individual need.

These individual approaches are particularly suitable for different social and economic institutions, and the scope of work carried out under the plan is extensive indeed because of these different conditions. Although the plan has been successful, its future prospects would be limited if we were just content with its performance. It will be beneficial for the plan to draw lessons from the mistakes of its past performance as that is objectively evaluated.

I would particularly like to stress the relevance of the plan and its performance and say that its relevance will not diminish. Some of the member countries have achieved economic and social progress and, to our delight, some of the countries have become more technologically advanced. However, some members are still striving at the basic level to achieve progress.

Currently, we see some undeveloped sectors in some so-called developed countries, as in the underdeveloped countries. The perceptable gap in social and economic development in the vast region under the Colombo Plan will remain and the ongoing assistance and cooperation under the plan will reflect the needs.

The economic success of all countries both inside and outside the Asia-Pacific region will continue. We view with great concern the prevailing practice of trade intervention through economic restrictions on less-developed countries and its possible direct or indirect detrimental impact on these countries. If trade barriers are established against the South or the poor countries, it will be detrimental to these countries.

Most barriers introduced with a short-term domestic perspective will negatively affect the developing countries. Therefore, such a trend should be avoided. These small countries rely upon raw materials and labor and such barriers would worsen the trade balance. We, of course, could understand the difficulties that lie in the way of the withdrawal of benefits and support extended over a protracted period. We will have to tackle this issue with strong determination.

More imports from underdeveloped countries and cooperation with them will assist the underdeveloped member countries. The increase in exports will qualitatively and quantitatively improve their basic production sectors as they strive to improve their products to meet the standards of the international market. Such endeavors will contribute to economic stability and future development.

Distinguished persons, delegates, and guests: Before concluding my speech, I would like to point out that the Colombo Plan is not a political organization, but a body based primarily on the cooperation of its members in accordance with their own wishes. The usefulness and relevance of this organization cannot be denied by anyone. Like other organizations, the form and lasting relationship of this organization is based entirely on the spirit and determination of its members.

I hope you will be able to lay down uniform guarantees and decisions which will contribute to regional social and economic development.

I wish everyone of you and the institutions you represent all the best and this meeting a resounding success.

Japan

Opposition to GATT Proposal on Rice Reiterated

OW0212022092 Tokyo KYODO in English 0142 GMT 2 Dec 92

[Text] Geneva, Dec. 2 KYODO—Japan reiterated its opposition Tuesday [1 December] to a proposal in world trade talks under the General Agreement on Tariffs and Trade (GATT) that would force it to open its rice market. Jiro Shiwaku, vice minister for international affairs at the Agriculture, Forestry and Fisheries Ministry, told an informal meeting of senior farm trade negotiators that Tokyo could not agree unconditionally to the proposal.

GATT Director General Arthur Dunkel has proposed converting nontariff import barriers such as import bans into tariffs that could be reduced progressively. Japan bans virtually all rice imports on the grounds that it needs to maintain self-sufficiency in rice, its staple food. The government has sought an exemption for rice under plans in the Uruguay Round to replace import barriers with tariffs, called the tariffication formula.

South Korea and Canada also opposed the GATT proposal as their delegates took part in the informal talks on how to reform agriculture trade.

The GATT talks have been stalled for nearly five years because of differences between the United States and the European Community (EC) over farm issues. But with the U.S.-EC dispute nearly settled with a bilateral farm deal reached last month, Japan has been under increasing pressure to accept the proposed across-the-board conversion of import barriers to tariffs. Delegates to the informal farm trade talks welcomed the U.S.-EC farm deal as paving the way for resuming the stalled GATT talks.

Some delegates said the U.S.-EC agreement was unclear and urged the U.S. and EC representatives to disclose more information. France, the EC's largest producer of farm products, still opposes the U.S.-EC deal and has asked the EC to hold an emergency meeting on the accord, which it says goes beyond reforms in agriculture policy adopted last spring.

Apart from agriculture, negotiators are working on a new set of rules to liberalize trade in the growing sector of services, such as banking, insurance, and tourism. They are expected to resume deliberations on proposals on market access issues, including how to cut tariffs, as early as Wednesday and on services possibly on Friday, according to Japanese delegates. Among market access issues, informal talks are slated to begin on tariff reductions next Monday, they said. Discussions on changes in a set of draft agreements, including the import barrier-to-tariff conversion proposal, will be held if the need arises, the Japanese sources added.

U.S. Presence 'Essential' to Regional Security

OW0212042992 Tokyo KYODO in English 0339 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—The government should tackle with sincerity the issue of Asian women who were forced to provide sex to Japanese soldiers during World War II, according to a draft report by an advisory panel obtained Wednesday [2 December].

"The important point is not whether related nations or their people would be satisfied (with Japan's responses), but how seriously Japan would respond with sincerity," the draft report by a private advisory council to Prime Minister Kiichi Miyazawa said. It is essential for Japan to take such a stance to strengthen relations with the Asia-Pacific region, it said.

The forum, chaired by Keio University head Tadao Ishikawa, plans to submit its report on Japan's role in the Asia-Pacific region to Miyazawa at the end of this year.

The presence of the United States is essential to secure security in the region and Japan should continue to extend its economic assistance to the region under cooperation with the 15 nations of the Asia-Pacific Economic Cooperation (APEC) forum, it said. The report predicted Japan and other Asian nations would build relations as equal partners with the United States in the coming century in tandem with a decline in U.S. power.

Japan, however, should pursue cooperation with the United States under the framework of the Japan-U.S. security arrangement because if Japan takes a leading role in the region it might stir up concern in Asian countries, it said.

The report called on the government to continue efforts to redress the large differences in the wealth of Asian nations, help solve industrial pollution in Asia, and extend academic and cultural cooperation.

Tokyo To Stop Aid on Imported Car Show in FY93

OW0212133892 Tokyo KYODO in English 1145 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—Japan will drop its program of providing financial aid to import automobile fairs in fiscal 1993, government officials said Wednesday.

The program, launched just this fiscal year to help expand U.S. and European imports, was agreed on hastily during U.S. President George Bush's visit to Tokyo in January. Under it, the Ministry of International Trade and Industry allocated funds as part of the import expansion budget for the Japan External Trade Organization (Jetro).

"We regret the failure in alloting money (for the aid) when attention from the world is placed on expansion of automobile imports," said an official of the trade ministry's Machinery and Information Industries Bureau.

Private efforts by auto sellers will be requested to expand import sales, but the ministry is now considering some other policy to indirectly support imports, he said.

An imported car dealer said on condition of anonymity, "only a year is unreasonable," echoing spreading industry criticism that the government's intention was to make the aid short-lived.

"The program was apparently a stopgap measure by the government to cope with heightening pressures from abroad at that time," he said.

Sponsored by the Japan Automobile Importers' Association, import fairs are held nationwide regularly from autumn through the following spring. Helped by Jetro's cosponsorship this season, the budget for the fairs nearly doubled to about 600 million yen, leading to wider exhibition space and longer exhibitions.

A Jetro official said the financial aid came suddenly, and the organization has no plans to cosponsor the events next year.

But, "some factors" exist for reviving the program in fiscal 1994 or later, he said.

Reflecting the weak Japanese economy, sales of imported automobiles have been sluggish sales so far this year. Sales in the January-October period fell about 8 percent from a year earlier, making it certain that the entire year will show a second consecutive year-on-year decline.

Russian Sailors Arrested for Gun Smuggling

OW0112050792 Tokyo KYODO in English 0455 GMT 1 Dec 92

[Text] Osaka, Dec. 1 KYODO—Police and customs officials have arrested seven Russian seamen for allegedly attempting to smuggle handguns, officials said Tuesday.

They said the seamen were caught trying to smuggle seven handguns and 581 bullets when they were going through entry formalities at the port of Osaka on Saturday after arriving there on board a Panamanian-registered freighter.

The Russians had been due to leave from a port in Chiba on board another cargo ship on Sunday.

Turkish Prime Minister Continues Activities

Meets With Business Leaders

TA0212065892 Ankara Turkiye Radyolari Network in Turkish 0530 GMT 2 Dec 92

[Mevlut Akin report from Tokyo]

[Text] Prime Minister Suleyman Demirel began his second day in Tokyo with a working breakfast with Toshiki Kaifu, a former Japanese prime minister. Kaifu stressed Turkey's increasing importance in the world and in its region. They also exchanged views on developments in the Central Asian republics, the Balkans, and various parts of the world. They also discussed the future of nuclear weapons.

Demirel then received Iida, chairman of one of the leading companies of Japan, the Mitsibushi Heavy Industries Company. Iida offered to build, in cooperation with a Turkish company, a natural gas station that will produce electrical power in Mudanya, Bursa.

Demirel also met with Yamaguchi, the chairman of the Japanese Eximbank. At this meeting, it was agreed that the bank should extend a long-term loan of $240 million to finance a modernization project at the Eregli Iron and Steel Plant. The two also reviewed the idea of raising to $500 million the $300 million the Japanese Eximbank, together with the World Bank, will extend to Turkey. Yamaguchi pointed out that they are aware of Turkey's ties with the Central Asian republics and that they want to develop their relations with the Turkish Eximbank to extend financial resources to those countries.

Prime Minister Demirel then received (Michigaki), chairman of the Overseas Economic Cooperation Fund, which extends cheap loans to developing countries for their projects. They discussed the Buyukmelen project for supplying drinking water to Istanbul. (Michigaki) said that they find the project feasible, and that they started the procedures necessary for receiving the approval of the Japanese Government.

Foreign Minister Hikmet Cetin, State Minister Cavit Caglar, and the under secretaries of the Treasury and foreign trade, and of the State Planning Organization were also present at all these meetings.

Later, Demirel was received by the Emperor Akihito. The Turkish ambassador to Tokyo was also present at the 30-minute meeting. The emperor gave a luncheon in honor of Demirel at the Imperial Place. Foreign Minister Cetin and State Minister Caglar also attended the luncheon.

The official Turkish-Japanese talks headed by the prime ministers of the two countries will be held today.

Meets With Parliamentarians

TA0212120292 Ankara Turkiye Radyolari Network in Turkish 1100 GMT 2 Dec 92

[Ilhan (Demiralp) report from Tokyo]

[Text] Following his contacts this morning, Prime Minister Suleyman Demirel attended a meeting organized by the Turkish-Japanese Parliamentary Friendship Association. In a speech at the meeting, Demirel said that the friendship between the peoples of the two countries must be developed so that Turkey and Japan can raise their level of cooperation. He pointed out that voluntary friendship associations are very useful in bringing about mutual understanding and added that mutual visits must be increased.

Prime Minister Demirel said that world conditions are suitable for opening a new era in Turkish-Japanese relations. He said: It has become inevitable for Turkey and Japan—which share the same democratic and humanitarian values—to take the opportunities before them and to serve humankind's prosperity and peace, together.

Demirel pointed out that geographical distances no longer separate nations. Turkey and Japan, which serve stability and peace in their respective regions, must engage in closer cooperation, he stated.

The chairman of the Turkish-Japanese Friendship Association pointed out that important developments are taking place in Turkey's region and that under such conditions cooperation is necessary. He said the fact that Prime Minister Demirel is paying his visit at such a time is very important for deepening the relations between the two countries.

The meeting was attended by Foreign Minister Hikmet Cetin, State Minister Cavit Caglar, deputies, bureaucrats, and former Japanese Prime Minister Toshiki Kaifu.

Meanwhile, an agreement has been signed in Tokyo, under which Turkey will receive a loan of $560 million in the form of export of bonds from the Japanese capital market. This is the (?third) time Turkey has received the largest loan from the Japanese capital market in the form of export of bonds. The loan is being extended in two parts with terms of four and six years. The interest rates are 5.7 percent and 6.5 percent respectively. The agreement was signed by Tevfik Altinok, under secretary of the Treasury and foreign trade, and by representatives from Japanese banks.

Urges Investment in Former USSR

OW0212132592 Tokyo KYODO in English 1222 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—Turkish Prime Minister Suleyman Demirel asked Japan on Wednesday to increase its private investment in Turkey as a stepping stone to the central Asian republics of the former Soviet Union, Foreign Ministry officials said.

Demirel, who arrived in Tokyo on Tuesday for a six-day official visit, his first ever to Japan, also called for Japanese investment in a major project to build a natural gas and oil pipeline, the officials said.

Demirel explained Turkey's locomotive role in promoting reforms in the ex-Soviet central Asian republics, five of which speak Turkic languages. Miyazawa welcomed Turkey's role, the officials said.

The Turkish prime minister told Miyazawa that while Turkey only has a population of 60 million, there are 200 million ethnic Turks if those in the former Soviet Union are counted.

Officials said Demirel urged Japanese companies to set up joint ventures with Turkish businesses in the newly independent republics to exploit their wealth of natural resources, including energy sources.

Demirel invited Japanese investors to participate in a project to build a 200- to 300-kilometer pipeline to carry natural gas from Turkmenistan to Turkey and western Europe across Turkey to the Caspian Sea, they said.

Turkey and Turkmenistan reportedly concluded an agreement on the project last month. The cost of the project, scheduled to be completed in 1996, has been estimated at 5 billion dollars.

Demirel called for direct flights by Japanese airlines between Tokyo and Ankara, which he said would promote Japanese tourism to Turkey and central Asia.

The five ex-Soviet, Turkic-language Muslim republics are Azerbaijan, Uzbekistan, Kyrgyzstan, Kazakhstan and Turkmenistan.

Officials said Demirel explained Turkey's plans for a major privatization of state enterprises, including petrochemical and steel industries and banking services, and called for Japanese investment in the privatized businesses.

Backing of UN Efforts To Aid Somalia Considered

OW0212145992 Tokyo KYODO in English 1438 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—Japan is considering backing United Nations' efforts to secure humanitarian aid for starving Somalis in the form of financial assistance, government officials said Wednesday.

The government of Prime Minister Kiichi Miyazawa has begun studies on how to assist multinational forces expected to be sent to Somalia, which has been wracked by civil war and long periods of drought, the officials said.

The U.N. Security Council is likely to adopt a resolution as early as Thursday urging member states to dispatch troops to Somalia.

A force of 1,800 U.S. Marines and 23 helicopters is currently heading for the war-torn country.

Japan will support the resolution but the country's U.N. Peacekeeping Cooperation Law does not allow the government to send Self-Defense Forces troops to join multinational forces, officials said.

A top Foreign Ministry official said Japan needs to provide what he called "visible assistance" to U.N. efforts.

The official indicated that the government will consider chartering a commercial airplane to carry provisions and send emergency assistance.

Foreign Ministry Announces UN African Aid

OW0112095892 Tokyo KYODO in English 0902 GMT 1 Dec 92

[Text] Tokyo, Dec. 1 KYODO—Japan will contribute 9.8 million dollars to a United Nations program to assist African refugees, the Foreign Ministry announced Tuesday.

Officials said the contribution will be channeled to the UN High Commissioner on Refugees (UNHCR) to finance its relief efforts for refugees suffering from civil wars and droughts.

The funds will also go toward UNHCR efforts to assist reintegration of returnees, they said.

Of the total contribution, 4.3 million dollars will go for assistance for Somalian refugees and returnees, 2.65 million dollars for Mozambican refugees and returnees, 1.5 million dollars for Ethiopian returnees, and 1.35 million dollars for Liberian refugees.

Last month, Japan offered 12.8 million dollars in funds for international emergency relief efforts currently under way in Somalia, including 12.3 million dollars for a food airlift.

Japan's latest 4.3 million dollars for Somalian relief brings the total contributed to their cause so far to some 27.5 million dollars, still less than the amounts contributed by the top donors, the United States, France, Britain, and Italy.

LDP Approves Takeshita Testimony in Upper House

OW0112232692 Tokyo KYODO in English 2303 GMT 1 Dec 92

[Text] Tokyo, Dec. 2 KYODO—Former Prime Minister Noboru Takeshita will testify as a sworn witness before the House of Councillors over the Tokyo Sagawa Kyubin scandal as the ruling Liberal Democratic Party (LDP) bowed to demands by opposition parties early Wednesday [2 December] morning. A meeting of LDP executives also agreed to summon Kiyoshi Sagawa, owner of the Kyoto- based parcel delivery company Sagawa Kyubin Co., to the upper house, party officials said.

Takeshita, who testified as a sworn witness on November 26 before the House of Representatives Budget Committee, categorically denied allegations that the boss of an underworld syndicate was involved in his becoming head of the party and prime minister in 1987.

Kiyoshi Sagawa is a former president of the parent company of Tokyo Sagawa Kyubin, the company at the center of the scandal. Sagawa Kyubin absorbed regional group companies, including Tokyo Sagawa, in May last year.

The lower house passed a supplementary budget Tuesday night after the LDP accepted opposition demands to summon Masahisa Haibara, an aide to fallen kingpin Shin Kanemaru, to testify as a sworn witness to the lower house during the current extraordinary Diet session. Squabbling over what witnesses should be called to testify on the scandal had blocked approval of the budget, which enacts a major part of the 10.7 trillion yen pump-priming package announced by the government in late August to help the economy recover from the current slowdown.

Haibara allegedly handled an illicit political donation of 500 million yen received by Kanemaru from Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin. Kanemaru told members of the lower house panel who questioned him at his hospital bedside last Friday that he did not know how the money had been spent, because Haibara handled it.

Takeshita Said Rightist Group Honorary President

OW3011145992 Tokyo KYODO in English 1438 GMT 30 Nov 92

[Text] Tokyo, Nov. 30 KYODO—Former Prime Minister Noboru Takeshita holds the post of honorary president of a rightist group, an opposition party politician said Monday.

Yanosuke Narazaki of the United Social Democratic Party said at a session of the Budget Committee of the House of Representatives that Takeshita is listed as honorary president of "The Association To Defend Freedom and Peace."

The association consists of rightist groups, Narazaki said.

The Takeshita office said the association asked Takeshita last year to become honorary president. The office said it later protested to the association because it printed the name of Takeshita as honorary president without obtaining permission from Takeshita himself.

In a 42-page association pamphlet issued in August, Takeshita was listed above executive members as chairman of the Japan-(South) Korea Parliamentarians League along with some 50 senior members of rightist groups.

At the top of the pamphlet, the association printed a statement by Takeshita that he longed for peace in the world by pressing North Korea to concede on the nuclear issue.

Ryumin Oshima, head of the Nihon Kominto rightist group which staged a smear campaign against Takeshita using loudspeaker trucks in 1987 before the Liberal Democratic Party's presidential election, is also listed as an association member, Narazaki told the Diet.

In a bid to silence the harassment campaign, retired political kingpin Shin Kanemaru has admitted he sought help from the late leader of the Inagawa-kai crime syndicate through Hiroyasu Watanabe, former president of the Tokyo Sagawa Kyubin trucking firm.

Narazaki also alleged Takeshita had close relations with a late gangster affiliated with Japan's largest underground syndicate, the Yamaguchi-gumi, but Takeshita's office categorically denied the allegations.

Records Show Takeshita Restaurant Testimony Wrong

OW0212132692 Tokyo KYODO in English 1307 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—Former Prime Minister Noboru Takeshita visited a Tokyo restaurant on November 29, 1987, the date of his alleged meeting there with former Tokyo Sagawa Kyubin head Hiroyasu Watanabe to thank him for his help in helping silence a right-wing smear campaign, press records revealed Wednesday.

But in testimony before the Budget Committee of the House of Representatives last Thursday, Takeshita denied visiting the restaurant on that date, saying somebody had mistaken the date as he did not have time to do so that day.

According to press records, however, Takeshita visited the Restaurant Kitcho at 6:30 P.M. and spent some time dining with several business executives, including the late president of Kyowa Hakko Kogyo Co., Mikio Kato.

Takeshita returned to his private residence in downtown Tokyo around 8:30 P.M., the records show.

Major national daily newspapers also carried most of this information, showing Takeshita's busy schedule on that day, including his restaurant visit.

Takeshita is expected to give further Diet testimony in the House of Councillors later this month.

Prosecutors said at a court hearing on Watanabe, who is on trial for aggravated breach of trust for causing huge damage to the now-defunct trucking firm, that Takeshita, his late secretary Ihei Aoki and former Liberal Democratic Party kingpin Shin Kanemaru met Watanabe at the restaurant.

Takeshita bowed deeply with his hands on the table to thank Watanabe for his efforts in silencing the anti-Takeshita campaign by the rightist group Nihon Kominto (Emperor's Subjects Party of Japan), according to Watanabe's affidavit.

Watanabe, at the request of Kanemaru, allegedly asked Susumu Ishii, the late head of one of the country's three largest underworld syndicates, the Inagawa-kai, to persuade the rightist group to stop the campaign.

At Ishii's demand, Nihon Kominto allegedly abruptly halted its loudspeaker campaign against Takeshita, who then was vying for the Liberal Democratic Party (LDP) presidency or premiership.

However, Takeshita told the lower house committee session last week, "There was the LDP party convention (on November 31), and examination of that day's program indicates I did not have any spare time" to visit the restaurant.

"I could have pursued such a schedule if it had been in the middle of November," Takeshita said.

Following former Prime Minister Yasuhiro Nakasone's nomination of Takeshita as his successor as LDP president on October 20, 1987, Takeshita had been busy in meeting people.

He was formally elected LDP president when the party held its convention on November 31, 1987.

Diet Fails To Begin Deliberations on Budget

OW0212080992 Tokyo KYODO in English 0654 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—The House of Councillors failed Wednesday afternoon to begin deliberations on the supplementary budget as the ruling and opposition parties remained at odds over who are to be summoned to the Diet to testify about the Tokyo Sagawa Kyubin money-and-mob scandal.

Observers say there is still no prospect that the House of Councillors budget committee deliberations will start, since the committee has already agreed to vote on summoning the witnesses before discussing the much needed supplementary budget bill.

The extra budget would finance much of the 10.7 trillion yen pump-priming package announced in late August to help the economy recover from its current slowdown.

Earlier in the morning, the ruling Liberal Democratic Party (LDP), in a bid to start the deliberations, bowed to opposition demands to resummon former Prime Minister Noboru Takeshita and Kiyoshi Sagawa, owner of the Kyoto-based parcel delivery company Sagawa Kyubin Co. to testify before the upper house.

The opposition parties, however, continued to press to resummon fallen political kingpin Shin Kanemaru besides Takeshita and Sagawa.

According to LDP sources, the ruling party is considering, as a compromise, again questioning Hiroyasu Watanabe, former president of the now-defunct Tokyo

Sagawa Kyubin, at the Tokyo Detention House. It is strongly resisting efforts to summon Kanemaru, former LDP vice president.

The opposition parties may eventually accept the LDP proposal to question Watanabe instead of Kanemaru, opposition sources said.

Since the current extraordinary Diet session is scheduled to end December 8, the upper house budget committee must vote on summoning witnesses by Thursday morning if the summoning is to be realized during the session.

Notification has to be sent to witnesses five days before the testimony is given.

Also, if three witnesses are to be summoned, two days will be necessary for their testimony since summoning all of them in one day is difficult. In that case, voting on Wednesday is necessary.

On Tuesday night, the LDP complied with opposition demands to summon Masahisa Haibara, Kanemaru's former aide, to testify as a sworn witness to the lower house during the current extraordinary Diet session.

The move was aimed at getting the supplementary budget bill to pass through the House of Representatives without further delay.

The opposition parties have been demanding that Haibara testify before the Diet as a sworn witness on the distribution of an illicit 500 million yen political donation Kanemaru received from Watanabe.

Last Friday, Kanemaru, 78, testified from his hospital bed and said he did not know how the money was spent, because Haibara had handled it.

Kanemaru resigned from the lower house in October because of public outrage over his receipt of the illegal donation and because he would not be tried in the matter.

Under a summary procedure, he paid a 200,000 yen fine for violating the political funds control law barring politicians from accepting more than 1.5 million yen from one source in a single year.

Haibara is the fourth figure to be called before the Diet during the current term to testify under oath on the Sagawa Kyubin scandal. So far, sworn testimony has been taken from Kanemaru, Takeshita and Watanabe.

Takeshita testified as a sworn witness November 26 before the lower house budget committee and denied allegations that the boss of an underworld syndicate was involved in his becoming head of the party and prime minister in 1987.

Watanabe declined to answer most of the questions from parliamentary inquisitors when he testified the same day at the Tokyo Detention House. Watanabe is jailed during his trial on charges of criminally causing losses to his company.

Also Wednesday, Makoto Tanabe, the chairman of the nation's largest opposition party, the Social Democratic Party, renewed his call for Takeshita's resignation from the Diet.

In a meeting of Sohyo Center, a trade union federation, Tanabe indicated that his party will submit a resolution demanding Takeshita's resignation and said it is necessary to summon Takeshita again to the Diet to testify about the scandal.

Incumbent Governors Win Tochigi, Mie Elections

OW2911134992 Tokyo KYODO in English 1316 GMT 29 Nov 92

[Text] Tokyo, Nov. 29 KYODO—Two incumbent governors, backed by the ruling and three opposition parties, won Sunday's gubernatorial elections in Tochigi and Mie Prefectures.

Fumio Watanabe, 63, governor of Tochigi Prefecture, won a landslide victory for a third term, collecting 416,235 votes against 66,274 votes for Kenji Okamura, 62, who was supported by the Japanese Communist Party (JCP).

Watanabe, supported by the ruling Liberal Democratic Party (LDP), the Social Democratic Party (SDP), Komeito and the Democratic Socialist Party (DSP), was first elected governor of the prefecture, north of Tokyo, in 1984. He was previously vice minister of agriculture, forestry and fisheries.

In Mie Prefecture, central Japan, Ryozo Tagawa, 73, also backed by the LDP, the SDP, Komeito and the DSP, was elected to a sixth term in the governor's race, beating JCP-supported Shigeru Suzuki, 64, chief of a prefectural network group of childcare organizations.

Tagawa got 367,635 votes while Suzuki gathered 139,040 votes.

Political Funds for 1991 Total 358.43 Billion Yen

OW3011083292 Tokyo KYODO in English 0801 GMT 30 Nov 92

[Text] Tokyo, Nov. 30 KYODO—Political funds collected by political parties and organizations during 1991 totaled a record 358.43 billion yen, according to a KYODO News Service survey released Monday.

The total included 172.77 billion yen reported to prefectural election management commissions, an increase of 12.3 percent from 153.8 billion yen in 1990, the survey showed.

The inflow into headquarters alone, as released by the Home Affairs Ministry in September, totaled 185.66 billion yen.

The survey showed the combined 1991 total hit a record 358.43 billion yen, up 6 percent from the previous year.

The survey also found that political parties and organizations spent another record 354.34 billion yen in 1991, which included 171.43 billion yen spent by their local offices.

The figures reflect intensive activity by political parties and organizations for local elections and the presidential election of the ruling Liberal Democratic Party (LDP) held in 1990.

Of the 172.77 billion yen reported to prefectural election management commissions, the LDP, the Social Democratic Party (SDP), Komeito, the Democratic Socialist Party (DSP) and the Japanese Communist Party (JCP) accounted for 70.6 billion yen, up 21.6 percent from the previous year.

Komeito and the JCP depend their income sources mainly on publications, while the LDP rely on donations from corporations. [sentence as received]

Opposition Demands 2 Trillion-Yen Tax Cut

OW3011093192 Tokyo KYODO in English 0909 GMT 30 Nov 92

[Text] Tokyo, Nov. 30 KYODO—Three opposition parties demanded Monday that the government cut 2 trillion yen in aggregate individual income taxes for citizens in middle to lower income brackets in the fiscal 1993 state budget, officials said.

Policy board heads of the Social Democratic Party, Komeito and the Democratic Socialist Party filed the demand in a meeting with Yoshiro Mori, chairman of the ruling Liberal Democratic Party's Policy Affairs Research Council.

The joint action came prior to annual meetings of the LDP's tax panel and the government's tax commission, which convene Tuesday to launch discussions for fiscal 1993 taxation.

Mori told the three parties that he would ask the LDP's Tax System Research Council to consider their demand, they said.

The governing party so far has maintained that the government cannot find alternative revenue sources that would offset an income tax cut, saying a tax cut would not be able to bolster consumer spending and the floundering economy.

Following the meeting with Mori, the opposition policy directors said at a news conference that the cut would give a favorable stimulus to the economy.

They also argued that the cut would revive consumer psychology currently in the doldrums, thereby jacking up consumer spending.

Government Panel Rejects Cutting Income Tax

OW0112054592 Tokyo KYODO in English 0523 GMT 1 Dec 92

[Text] Tokyo, Dec. 1 KYODO—A government advisory panel on taxation Tuesday expressed opposition to calls for a reduction of income tax, saying the country is "in no condition" for such measures.

Hiroshi Kato, head of the Tax Commission, an advisory body to the prime minister, said at a press conference after the panel's 17th meeting that lowering tax would force the government to float debt-financing bonds.

The issue of cutting taxes ought to be debated as part of an overall tax reform and not just as a means of pump-priming the economy, he said.

Kato said tax cuts usually take three to four years before the effects begin to show, and the "sacrifices" would be greater than the benefits if such measures were taken merely as a means to stimulate the economy.

In that context, Kato said, the panel is also against lifting the ceiling on small savings tax exemption system, called "Maruyu" designed to help senior citizens, the disabled, and fatherless families.

Currently, such beneficiaries may have the interest rates on postal savings deposits of up to 3 million yen exempted from tax.

Trade unions, opposition parties, and some industrialists have been calling for a cut in income tax to stimulate spending and boost the stagnant economy.

The Finance Ministry, however, is against such a move, given that tax revenue is already expected to fall short of earlier estimations in the current fiscal year due to the slowdown, and the outlook for the next fiscal year is generally pessimistic.

The ministry says a tax cut would only lead to a worsening of the government debt.

With respect to the issue on a possible hike in certain taxes, the commission agreed that such measures should only be taken after fully taking into account their effects on the current business conditions.

Because of the poor outlook for tax revenues, it has been argued that the government may have to raise duties on tobacco and alcohol.

Kato said the participants in the commission's meeting Tuesday had rather emphasized the difficulties of cutting taxes than the need to lift them.

He said specific figures on tax revenues in fiscal 1993, beginning next April 1, had not been discussed at the meeting, which simply received reports that conditions are expected to be "severe."

The commission also did not refer to the issue of a possible revival of a tax concession on repurchase of residential properties, he said.

The Tax Commission will meet again on Friday for its 18th general assembly.

Finance Ministry Warns of FY93 Revenue Shortfall

OW0112064092 Tokyo KYODO in English 0606 GMT 1 Dec 92

[Text] Tokyo, Dec. 1 KYODO—The Finance Ministry told the ruling Liberal Democratic Party (LDP) on Tuesday that the revenue shortfall in fiscal 1993 would top 3 trillion yen unless tax hikes and a further cut in spending are implemented.

The ministry presented its latest revenue estimate to the LDP's tax system research council, putting the difference between the planned total expenditure and the expected revenue in the year that starts next April 1 at 3.1 trillion yen, ministry officials said.

The ministry has revised down its shortfall estimation from the 5.05 trillion yen projected earlier because it has decided to issue the maximum permitted amount of 8 trillion yen in construction bonds and to slash grants to local governments to narrow the fiscal gap.

The ministry projects that tax revenues in fiscal 1993 will total 61.3 trillion yen, down 1.2 trillion yen from the original estimation for fiscal 1992.

With 8 trillion yen from issuance of construction bonds and 2.4 trillion yen in nontax and other special revenues, the government's total income in the year will amount to some 71.7 trillion yen, according to the ministry.

On the spending front, the ministry believes the general operating expenditure, which constitutes the core part of the general-account budget, will total 40.7 trillion yen.

Debt-servicing costs will amount to 16.8 trillion yen, while 1.3 trillion yen is being earmarked for projects to boost the infrastructure utilizing the income from the sales of government-held shares of Nippon Telegraph and Telephone Corp.

The ministry has decided to reduce the grants to local governments to about 16 trillion yen in accordance with the declining tax revenues, the officials said.

These outlays combined will put the total expenditure in fiscal 1993 at 74.8 trillion yen, creating the fiscal gap of 3.1 trillion yen.

In the face of the huge anticipated revenue shortfall, the ministry plans to raise several hundred billion yen through raising taxes on certain items and by other means, to boost the revenue to over 72 trillion yen, while further reducing the expenditures by more than 2 trillion yen.

The general operating expenditure will be reduced to below 40 trillion yen to cap the general-account budget for the year at around 72.2 trillion yen, little changed from the original budget for fiscal 1992, according to the officials.

Ministry Urges Faster Shift to 40-Hour Week

OW3011131992 Tokyo KYODO in English 1224 GMT 30 Nov 92

[Text] Tokyo, Nov. 30 KYODO—The Labor Ministry urged an advisory panel to adopt a 40-hour workweek system immediately after a given preparatory period rather than first introducing a phased 42-hour workweek proposed by employers, ministry officials said Monday.

The ministry proposal, based on a public opinion survey, aims to quell disputes between employees' and employers' representatives in a subcommittee of the ministry's advisory panel, the Central Labor Standards Council, the official said.

The subcommittee is now studying labor system reforms, including a timetable for shifting to a 40-hour workweek, grace measures, and higher pay for working overtime and on holidays.

The ministry seeks to draft a reform package by mid-December and submit it to the next ordinary Diet session.

Shohei Ito, chief of the ministry's wage and working hours department, told reporters after the subcommittee's meeting that "about a year" is being considered for the preparatory period, hinting the ministry is aiming at introducing the 40-hour workweek from April 1994.

As for the current grace measure of 46 hours allowable to designated companies and businesses, the ministry proposes allowing "44 hours for the time being," while advising further surveys to decide on setting grace measures, Ito said.

The proposal does not mention specific levels for extra pay for overtime and work on holidays, a matter that has strongly split employees and employers. The current minimum is 25 percent.

Ito said, however, that some revision is basically necessary on an international standpoint, suggesting the need for an increase to the global standard of around 50 percent.

Kondo Worried About Slackening Labor Market

OW0112023892 Tokyo KYODO in English 0202 GMT 1 Dec 92

[Text] Tokyo, Dec. 1 KYODO—Labor Minister Tetsuo Kondo voiced concern Tuesday that the drawn-out economic slowdown might cause the labor market to slacken further.

Kondo told a press conference after a regular cabinet meeting that the trend toward reducing labor could deepen depending on the future course of the economy.

"We cannot predict what will happen," he said.

He made the comments on the heels of a government report published earlier in the day that the ratio of job vacancies to job seekers dropped to a seasonally adjusted 0.96 in October, sinking below the 1.0 line for the first time since may 1988.

The minister said the labor market will receive a boost once the supplementary budget, featuring massive public works spending, passes the Diet.

Fiscal stimulus can have only a limited impact on the market, though, he said, calling for additional measures to reinvigorate domestic demand, which drives the national economy.

For its part, the Labor Ministry plans to take the necessary steps to create jobs, while gathering information concerning the market through its placement offices nationwide, Kondo said.

Hata Says Statistics Reflect Sluggish Economy

OW0112015892 Tokyo KYODO in English 0041 GMT 1 Dec 92

[Text] Tokyo, Dec. 1 KYODO—Finance Minister Tsutomu Hata said Tuesday he does not believe that Japan's labor market will continue softening but admitted the latest labor statistics reflect the sluggish state of the economy and business conditions in general.

Hata told a press conference following a regular cabinet meeting that the further decline in the effective jobs-to-applicant ratio mirrors "the sluggish economy."

He said he views the fall as a renewed indication of the weak economic conditions.

The benchmark labor market indicator posted a 0.05 percentage point drop in October to 0.96, marking its first slide below the 1.00 line since may 1988.

But Hata said the level is still high compared with those during past recessions.

Hata pointed out that the unemployment rate is still relatively low at 2.2 percent.

He noted that the labor statistics are the lagging indicator of the economy and tend to deteriorate in the later part of an economic downturn.

"I don't believe the (labor conditions) will keep declining," he said.

The statistics will stop falling once the supplementary budget passes the Diet and the fiscal stimulus package starts taking effect, he said.

Asked about the resurgence of the U.S. dollar against the yen, Hata said the tendency is not sharp.

He said the government will keep in contact with other major industrial countries in watching the currency market and will handle the situation as it deems appropriate.

White Paper Urges Nations Tackle Structural Woes

OW0112015992 Tokyo KYODO in English 2344 GMT 30 Nov 92

[Text] Tokyo, Dec. 1 KYODO—The leading industrialized economies, now seeking a way out of an economic slump, need to seriously tackle their structural problems, Japan's Economic Planning Agency [EPA] said Tuesday.

"The economic recovery of the leading industrialized countries is not happening as had been anticipated," an EPA official said in briefing reporters on the agency's white paper on the world economy approved by the cabinet Tuesday morning.

He summarized the report as saying the power of the recovery is "extremely weak."

Monetary and fiscal measures that leading countries have been taking are not working well, the official said. Instead, they "ought to focus on the structural aspects as well as on the supply side" of economics. That approach is indispensable to creating new world economic order, he said.

The white paper said the world's economic slowdown has been caused by structural factors such as slower consumer spending, corporate structural adjustments, fiscal deficits, the balance sheet problem in the United States, the cost of German unification and high European interest rates.

Tackling such issues could restrain business in the short run but must be done in order to achieve a healthier world economy in the long term, the paper said.

It also indicated that the cost of temporarily restraining business could be eased by liberalizing global trade, investment, capital and technology, as well as increasing efficiency.

The white paper recommended that countries trying to shift to market economies should enhance their tax systems to help cut fiscal deficits and seek to create orderly monetary systems but that they should refrain from excessive liberalization until inflationary pressures are gone.

It also suggested they transform into export-oriented economies, while beefing up supplier industries.

Globalism and the creation of regional economic zones must not be allowed to become mutually exclusive or contradictory, the white paper also said.

The paper made special reference to economic reforms in China, which is under increasing attention as it continues to boost its economy and rapidly develops special economic zones in southern China.

The more than 10 pages devoted in the paper to Chinese reforms refer to problems such as the lagging behind of improvements in macroeconomic controls in easing inflationary pressures and the fiscal deficit, and inefficient management of state-run corporations, which are still the powerhouse of the Chinese economy.

The paper said some improvements are being made, namely in areas linked with foreign economic relations, including increasing free economic zones and progress in the foreign exchange market.

It is estimated the gross national product of the southern Chinese economic sphere—a term sometimes used to refer to Guangdong and Fujian Provinces as well as Hong Kong and Taiwan—at 271.5 billion dollars with annual exports totaling 187.8 billion dollars. [paragraph as received]

It said the scale of the economic sphere compares to that of the economy of South Korea or the six-member Association of Southeast Asian Nations.

As for the role of Japan in contributing to the world economy, the white paper said it is of prime importance for Japan to climb out of the current economic slump and return to the growth track.

The economy should be free of inflationary pressures and be largely fed by domestic demand, it said.

The paper called on Japan to actively take the lead in drafting a new global framework as well as new rules aimed at integration and cooperation in the world economy.

Groups Submit Petitions Against Use of Plutonium

OW3011062492 Tokyo KYODO in English 0555 GMT 30 Nov 92

[Text] Tokyo, Nov. 30 KYODO—Antinuclear groups across the country submitted petitions opposing the government's plutonium energy policy to the Science and Technology Agency on Monday, organizers said.

The organizers said some 45,500 people signed the groups' petitions against the use of plutonium, asking the government to suspend current nuclear energy policies.

In the petitions, the groups urge the government not to operate Japan's first plutonium-fueled fast breeder reactor Monju, located in Tsuruga, Fukui Prefecture, and halt shipments of the highly radioactive substance from Europe.

They also called for scrapping of the plan to construct the country's first nuclear fuel reprocessing facility in the village of Rokkasho in Aomori Prefecture, the organizers said.

The groups insisted that the use of plutonium for nuclear power plants will pose grave danger to the people.

Monju, with a capacity to generate 280,000 kilowatts of electricity, is slated to begin nuclear fission early next year.

Japan plans to transport some 30 tons of plutonium from Britain and France by 2010 for the nuclear energy use.

The 4,800-ton freighter Akatsuki Maru is now heading back to Japan with a ton of plutonium from France and the shipment has caused worldwide controversy, with environmentalists and some nations expressing concern about a possible disaster if something happened to the ship and its deadly cargo.

Power Shortage Seen, New Nuclear Sites Urged

OW0212070792 Tokyo KYODO in English 0637 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—A government panel called on administrative agencies Wednesday to cooperate in searching for locations for new nuclear power plants, warning that Japan may face a serious power shortage in the future.

The Electric Power Development Coordination Council, an advisory panel to the prime minister, made the appeal in a report released Wednesday.

The report urged the government to establish an administration-wide support system to promote nuclear power development.

It called for establishing a standing committee within the council to study problems hampering the construction of nuclear power plants.

Japan will face the possibility of an acute power shortage in the future if it remains difficult to find locations for nuclear power facilities, the report said.

The council said it plans to launch a study on the possibility of locating nuclear power plants underground or at sea.

Council officials said the formation of the new committee will be decided on at the council's meeting in March next year.

The council also asked the government to send a survey mission to the Geneva-based International Atomic Energy Agency regularly to study ways to enhance the safety of nuclear power plants.

The council also said it has approved applications for construction of seven new thermal power plants with total output capacity of about 200,000 kilowatts during the current fiscal year, which ends next March 31.

Two of the seven thermal power plants will be built in northern Japan, three in Kyushu and two in Okinawa.

The council earlier approved three hydroelectric power and 10 thermal power projects this fiscal year.

Panel Endorses Consumer Education on Environment

OW0212023492 Tokyo KYODO in English 0150 GMT 2 Dec 92

[Text] Tokyo, Dec. 2 KYODO—A government panel on Wednesday issued a list of policies on consumer protection for fiscal 1993, with emphasis on promoting environmental awareness and other global issues among consumers. The consumer protection conference, headed by Prime Minister Kiichi Miyazawa and comprising 18 ministers, is responsible for basic planning and enforcement of consumer protection policies.

Environment policies in the list include increasing recognition among consumers of the "Eco mark," allowed only on environmentally friendly products, and promoting use of recycled paper for various purposes, such as postcards. The panel also suggested providing consumers with more information about energy- and resource-saving measures, and helping nature protection programs of local governments or private organizations. One policy encourages consumers to join a program of voluntary deposits for international aid connected with postal savings. Under the program, depositors donate 20 percent of their interest to various international aid programs.

The environment-related policy items come under one of four central themes. The others are consumer safety, fairer product standards, and protection from deceptive sales or services. Under the four themes, the conference has itemized 351 policies, including 31 new ones, which it said reflect the government's stated goal of improving the quality of life in Japan. The consumer safety theme is also considered important because the government this year postponed legislation of a proposed product liability law.

In submitting the list to the cabinet, the conference said a comprehensive consumer protection system centering on such a law should be formulated within a year. The panel also said it is necessary to introduce unified hazard symbols for food and other products. It suggested the government study logos used in countries like the United States and Canada to warn consumers of possible dangers in using products.

North Korea

Choe U-chin Proposes 12th Meeting of Nuclear Control Committee

SK0112111792 Pyongyang KCNA in English 1054 GMT 1 Dec 92

[Text] Pyongyang December 1 (KCNA)—Choe U-chin, chairman of the North side to the North-South Joint Nuclear Control Committee, in his telephone message sent to the South side's chairman Kong No-myong today proposed to the South side to hold the 12th meeting of the committee on December 8.

Noting that at recent meetings of the Joint Nuclear Control Committee the North side urged the South side to revoke the decision to resume the "Team Spirit" joint military exercises by the end of November, and the South side has not shown any affirmative attitude still today, past the deadline, the message says:

We can never overlook the fact that your side is laying difficulties in the discussion of rules of inspection indispensable to a verification of the denuclearisation of the Korean peninsula and delaying the implementation of the joint declaration on denuclearisation while not withdrawing the agreement on the resumption of the "Team Spirit" joint military exercise continuing to victimize the interests of the nation by following foreign forces.

Your side must place the nation's interests above anything else, subordinate everything to implementing the joint declaration on the denuclearisation of the Korean peninsula agreed upon with the fellow countrymen, reject any foreign instigation and interference and show sincerity in negotiations with the fellow countrymen [words indistinct] desire to solve at an early date the problem of denuclearisation on the Korean peninsula related to the nation's existence, our side proposes to hold the 12th meeting of the North-South Joint Nuclear Control Committee at 10:00 on December 8 (Tuesday) in your side's portion of Panmunjom, urging your side once again to withdraw the unjust stand on the resumption of the "Team Spirit" joint military exercises of any form.

No Agreement at 11th Meeting

SK2711133692 Pyongyang Korean Central Broadcasting Network in Korean 1213 GMT 27 Nov 92

[Text] The 11th round of the North-South Joint Nuclear Control Committee [JNCC] meeting was held at Tongilgak, our side's region of Panmunjom, on 27 November.

First of all, our side reminded the South that at a time when the annexed agreement to implement the basic agreement in each field was adopted and took effect at the eighth round of North-South high-level talks so that it was possible to operate all joint committees, and negotiations to adopt a regulation for the North-South nuclear inspection for the implementation of the joint declaration on denuclearization were being carried out smoothly, the South side suddenly agreed with the

United States to resume the joint military exercise Team Spirit. Our side also reminded the South that on this issue, we had demanded in past meetings that it rescind this decision by the end of November.

Our side then revealed that various channels of North-South dialogues which are frozen, including the JNCC meeting to implement the joint declaration on denuclearization, will be opened in accordance with the South side's attitude in today's meeting. Our side further revealed that today's meeting will also determine whether or not the general matters agreed upon between the North and South will be implemented.

Our side said the South side is attempting to rationalize its decision to resume the Team Spirit exercises by offering various unreasonable excuses. Our side said that regardless of the background and decision to resume the Team Spirit exercises, which are part of U.S. policy to invade all Asia, it cannot be justified in any way. Our side also said that it cannot hide the nature of the aggressive nuclear war test. Our side continued to elucidate that the South side can by no means free itself from the responsibility of postponing North-South nuclear inspection. Moreover, if the South continues to carry out fully the joint military exercises with the United States, it must assume responsibility for any consequences before the nation and history.

Our side also emphasized that if the JNCC work is aborted because of the resumption of the Team Spirit exercises, then this will constitute a serious barrier in implementing our nuclear safeguards accord. Our side said the South should also be responsible for this.

Our side stated that the only way to break the severe deadlock on the denuclearizing the Korean peninsula is for the South side to agree to our just proposal as soon as possible. Our side has proposed that the South rescind its decision to resume the Team Spirit exercises, announce this decision at home and abroad by any means by the end of November, avoid any kind of military exercise mobilizing foreign nuclear weapons and related equipment within the territories belonging to the Korean peninsula, and both sides present and seriously discuss constructive proposals for the implementation of the joint declaration on denuclearization based on rescinding the decision to resume the Team Spirit joint military exercises.

The South, however, failed to respond to our just proposal and attempted to evade the responsibility for the delay of North-South nuclear inspections by talking about special inspections and inspections of ordinary military bases, which are not specified in the agreement between the two sides. It also made incoherent and absurd remarks to rationalize its decision to resume the Team Spirit exercises.

In this regard, our side asked specifically why the South, which is talking about the age of reconciliation and cooperation, blocks peace and peaceful reunification and exacerbates division and confrontation by aggravating tensions in the country and participates in the Team Spirit joint military exercises, which will bring a nuclear disaster to the nation.

Our side described the South side's intention to resume the Team Spirit exercises by following the United States as a sellout and a traitorous act of no concern for the common interests of the nation and a maneuver designed to pursue some insidious purposes by illicit connection with foreign forces.

Also, our side noted that if the South really wants North-South dialogue, it should value North-South agreements, including the joint declaration on denuclearization and insisted that neither side has the right to unilaterally disregard or cancel the North-South agreements that were agreed to and announced by both sides.

Concluding the meeting, our side said the South should abandon its policy of relying on foreign forces and should make a brave decision to realize the denuclearization of the Korean peninsula through North-South dialogue, relying on a national, independent position. Our side once again strongly urged the South to announce its withdrawal from the Team Spirit joint military exercise by the end of November.

Next, the chairmen of both sides met privately at our side's suggestion. After the meeting, the chairmen of both sides agreed to decide on the date for the next meeting through a direct telephone call to the liaison office at Panmunjom.

Economic Delegation Departs for Iran

*SK0112133192 Pyongyang KCNA in English
1056 GMT 1 Dec 92*

[Text] Pyongyang December 1 (KCNA)—A Korean government economic delegation headed by Kim Tal-hyon, vice-premier and chairman of the State External Economic Commission, left here today to participate in the 4th meeting of the joint committee for the economic and scientific-technological cooperation between the Korean and Iranian Governments to be held in Iran.

It was seen off at the airport by Chong Song-nam and other officials concerned and the charge d'affaires ad interim of the Iranian Embassy here.

Foreign Minister Sends Greetings to Cuban Counterpart

*SK0112133892 Pyongyang KCNA in English
1100 GMT 1 Dec 92*

[Text] Pyongyang December 1 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Cuban counterpart Ricardo Alarcon de Quesada in connection with the fact that Cuba's resolution has been passed by an overwhelming majority of votes at the U.N. General Assembly.

The resolution calls for an end to the United States' 30-year long economic, trade and financial blockade against Cuba.

Kim Yong-nam says in the message:

The adoption of the resolution submitted by Cuba signifies another victory won by your people in checking the U.S. attempts for supremacy and a telling blow to the U.S. imperialists and reactionaries who are seeking to isolate and suffocate socialist Cuba.

However desperately the United States may intensify all sorts of aggression, interference and blockade against Cuba, it can never bring into submission the Cuban people who are advancing under the unfurled banner of socialism, maintaining independence and revolutionary principle.

[Words indistinct] belief that the friendly and cooperative relations between Korea and Cuba will further strengthen and develop through the joint struggle against imperialism and for independence, peace and socialism the message sincerely wishes the Cuban foreign minister greater success in his responsible work.

Armed Forces Minister Greets Counterpart

SK0112134492 Pyongyang KCNA in English 1103 GMT 1 Dec 92

[Text] Pyongyang December 1 (KCNA)—Marshal of the DPRK O Chin-u, minister of People's Armed Forces, sent a message of greetings to General Raul Castro Ruz, minister of the Revolutionary Armed Forces of the Republic of Cuba, on the occasion of the 36th anniversary of the founding of the Revolutionary Armed Forces of Cuba.

Expressing the belief that the friendly and cooperative relations between the two armies will continue to strengthen and develop the message wishes him great success in his responsible work for the stability of the country and increasing of its defence capabilities.

Premier Sends Greetings to Libyan Officials

SK2611050792 Pyongyang KCNA in English 0432 GMT 26 Nov 92

[Text] Pyongyang November 26 (KCNA)—Premier of the Administration Council Yon Hyong-muk sent a message of greetings to 'Umar Abu-Zayd Durdah upon his reelection as secretary of the National People's Committee of the Great Socialist People's Libyan Arab Jamahiriyah.

Expressing the belief that the excellent relations of friendship and cooperation between the two countries would grow stronger and develop, the message wished the secretary greater success in his responsible work.

Meanwhile, Foreign Minister Kim Yong-nam sent a message of greetings to 'Umar Mustafa al-Muntasir upon his election as secretary of the People's Committee of the People's Bureau for Foreign Liaison and International Cooperation of the Great Socialist People's Libyan Arab Jamahiriyah.

KCNA Reviews 1 Dec Pyongyang Press

SK0112235592 Pyongyang KCNA in English 0511 GMT 1 Dec 92

[Press review]

[Text] Pyongyang December 1 (KCNA) Papers here today carry messages of greetings sent by President Kim Il-song of the Democratic Peoples' Republic of Korea to President Ion Iliescu and President Andre Kolingba on the occasions of the national day of Romania and the 34th anniversary of the proclamation of the Central African Republic.

The revolutionary spirit of self-reliance which was highly displayed among the guerrillas under he leadership of President Kim Il-song during the anti-Japanese revolutionary struggle is now being successfully carried forward, says NODONG SINMUN.

The paper conveys news that president Kim Il-song's "Reminiscences With the Century" evoked deep emotion and interest among overseas compatriots.

The paper informs the readers that on the fundamental question of revolutionary party building an immortal classical work of the dear leader Comrade Kim Chong-il was widely reported in foreign countries and Congolese and Zarean figures issued statements to the press supporting the work.

The paper rounds up vices of foreign friends highly praising Comrade Kim Chong-il as the great man of the century.

South Korean people are ardently longing for free medical service in the northern half of Korea, says the paper.

Papers report that a Korean intellectuals meeting will be held early this month and an article on the high honor of intellectual in the northern half of Korea

Given in the press are a account of a meeting held to mark the 40th anniversary of the foundation of the Academy of Social Sciences and an article on this occasion.

Appearing in papers an account of meeting held to mark the 2th anniversary of the premiere of the revoluionary opera "The Flower Girl."

The general secretary of the Central Committee of the Communist Party of Honduras met the Korean ambassador to Nicaragua, says the press.

News of the press includes reports about innovations in production of minerals and fertilizers.

Papers give accounts of a music concert held to celebrate the 75th birthday of Yun I-sang and his interview with a correspondent of th South Korean HANGYORE

SINMUN in Japan. Korean gymnasts [name indistinct] and Kim Kwang-suk caried off gold medals at the international gynmastic tournament for [word indistinct] according to the press. Foreign dipomatic envoys visited the revolutionary museum of the Ministry of People's Armed Forces, reports the press.

A meeting of women in Japan condemning the murder of a South Korean woman by a U.S. Army soldier was held in Tokyo and more brutalities were committed by U.S. aggression army soldiers in South Korea, says the press.

Papers report that foreign news media exposed the crisis of South Korean economy and demanded the repatriation of Yi In-mo and an international fact-finding group of the concrete wall urged the South Korean authorities to pull down the wall.

NODONG SINMUN in a semi-monthly review of the South Korean situation says that the deceptive nature of the rulers who advertised "fair elections" was fully disclosed.

The paper carries news that the chairman of the Workers' Party-Communists of Sweden underscored the superiority of socialism, the deputy secretary general of the Revolutionary Party of Tanzania expressed the determination to adhere to the principle of socialism and self-reliance.

The paper in a commentary denounces the utterances of a spokesman of the Japanese Government that it has no intention to modify its plan for the transport of plutonium.

Foreign news columns of press include reports that the Filipino president ordered to investigate into the report that poisonous refuse had been thrown into U.S. military bases, the Egyptian foreign minister outlined the orientation of major foreign policy and a Latin-American regional meeting on famine was held.

Papers introduce the Danube River-Black Sea Canal of Romania and meadow of Central Africa.

NODONG SINMUN carries news that the U.S. imperialists launched a military satellite to realize the "Strategic Defence Initiative".

The paper runs an article branding the rumor of "nuclear suspicion" against DPRK spread by the United States and the South Korean authorities as a deliberately faked-up fiction to use it as a pretext for anti-DPRK moves.

KCNA on 2 Dec Press

SK0212060192 Pyongyang KCNA in English 0500 GMT 2 Dec 92

[Press review]

[Text] Pyongyang December 2 (KCNA)—Papers here today carry a photo-illustrated report that a bronze statue of the great leader President Kim Il-song was erected in the District of Scientists of Pyongsong city, South Pyongan Province.

Printed in the press are a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to Khamtay Siphandon, president of the C.C., Lao People's Revolutionary Party, and Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], on the occasion of the 17th birthday of the LPDR and an article on this occasion.

It is reported in NODONG SINMUN that President Kim Il-song's reminiscences "With the Century" has been broadly disseminated and studied in Japan.

The daily reports that "The Historical Lesson in Building Socialism and the General Line of Our Party", a work of the dear leader Comrade Kim Chong-il, was carried by a Dominican magazine and an article explaining his work "On the Fundamental Questions of Revolutionary Party Building" was carried in a bulletin published in Senegal.

An article of the daily deals with the energetic guidance of Comrade Kim Chong-il to properly enliven the national identity of the Korean people.

One hundred and fifty-one political parties the world over have signed the Pyongyang declaration "Let Us Defend and Advance the Cause of Socialism", says the daily.

It comes out with an article headlined "To Defend the Purity of Socialist Idea Is an Important Requisite To Building Ruling Party."

Papers give an account of a meeting held to mark the 40th founding anniversary of the Academy of Sciences.

Given in the press is an account of a joint communique on establishing diplomatic relations at ambassadorial level between Korea and Croatia.

The press informs the readers that the DPRK ambassador presented his credentials to the Maltese president, the general secretary of the C.C., the Communist Party of Malta received the new Korean ambassador and the Korean ambassador paid a courtesy call on the general secretary of the C.C., the Mozambique Liberation Front Party.

Papers give an account of a symposium on Yun I-sang's music held in Pyongyang.

Appearing in the press is a report that the chairman of the North side to the North-South joint nuclear control committee sent a telephone message to the chairman of the South side proposing to hold the 12th meeting of the committee.

NODONG SINMUN runs a commentary denouncing the South Korean authorities for scheming to resume the "Team Spirit" military exercises, a nuclear war rehearsal, by taking issue with the North's non-existent "nuclear problem."

The mission of the South Korean National Democratic Front in Japan made public the "Open Letter on Truth Behind Development of Nuclear Weapons in 'South Korea'", reports the press.

NODONG SINMUN in an article urges a prompt solution of the question of repatriation of Yi In-mo.

Conveyed in the daily are voices of members of the Nagano prefectural headquarters of the Japan Social-Democratic Party lauding the advantages of the Korean-style socialism.

International news columns of the daily includes reports that Chinese senior officials wrote articles calling for training personnel prepared for labor and defence and the Indian prime minister called for settling border disputes with China though negotiations.

The press dedicates articles to the day of the Cuban revolutionary armed forces and the independence day of the United Arab Emirates.

NODONG SINMUN in an article exposes the Japanese imperialists' plunder of manpower in Korea during the Pacific war.

NODONG SINMUN Extols Party Building Experience

SK3011120792 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 28 Nov 92

[NODONG SINMUN 28 November special article: "Our Party Is a Great Party Which Has Created the Precious Experience for Socialist Ruling Party Building"]

[Text] Our party enjoys the absolute trust of our people and the revolutionary people of the world as a resolute defender and seasoned leader of the socialist cause. The recent publication of the treatise "On the Fundamental Questions of the Revolutionary Party Building" written by Comrade Kim Chong-il is a great contribution to the struggle to strengthen and develop the working-class party and to defend, adhere to, and complete the socialist cause.

The work is a textbook that makes a comprehensive compilation of the immortal revolutionary achievements and the precious struggle experience of our party which has traversed a long and glorious road with a firm leadership authority as a socialist ruling party. It is also a great banner of encouragement which brightly elucidates the future of the revolutionary party building of our times.

All our party members and working people are extensively studying with great pride and self-respect the profound ideas of the work which is consistent with gems of recommendations and logic of wisdom in adding luster to socialism upholding the great leader [widaehan yongdoja] and following the leadership of the ever-victorious revolutionary party.

By creating the endlessly precious experiences for socialist ruling party building, our party has made immortal achievements in the struggle to strengthen and develop the parties engaged in the revolution in our times and to complete socialism. The great leader Comrade Kim Il-song has taught: In the process of pioneering the arduous road of the revolution, our party has built abundant experiences and found numerous new truths of the revolution. I believe that all the successes our party has attained in the revolution and construction are the joint successes of the international working class, and the experiences and truths we have acquired positively contribute to enriching the revolutionary theories of the working class.

Building a powerful socialist ruling party is a fundamental problem for victoriously advancing the socialist cause and completing it to the end. The party's leadership is the lifeline of the socialist cause. Without the leadership of the ruling party, which firmly grasps the sovereignty of the state in its hands and realizes the unified and political leadership over the entire society, we cannot maintain a socialist society which is based on collectivism, nor can we victoriously pioneer the untraversed road of socialist and the construction of communism.

The might of socialism is the might of the socialist ruling party which leads it. Therefore, the revolutionaries and people think that to build a strong socialist ruling party and carry out the revolution under its banner is their greatest pride and happiness. Today, our party demonstrates its proud features as an experienced party which has made great revolutionary achievements and has had exceedingly abundant experiences in socialist ruling party building and as an ever-victorious party which can complete the socialist cause to the end in the face of any difficulties and trials.

At a time when a serious historical lesson is taught by the fall of the parties which guided socialism for decades and when the imperialists' antisocialist maneuvers are intensified more than ever before, we are resolutely defending and adhering to the socialist banner with this strong revolutionary party. This is the greatest pride and glory for our people.

Since it came to power, our party has made immortal achievements which will shine forever while leading the socialist cause victoriously in the protracted period of time, and has created numerous experiences which become the precious guidelines for the socialist ruling party building of our times. The experiences our party has created for the ruling party building are the ever-victorious experiences of building the invincible party under the most arduous conditions, original experiences which newly elucidate all the party building theories based on the chuche idea, and encyclopedic experiences which give perfect answers to all the problems connected with party building.

Our party's great historical achievements and outstanding greatness are found in the fact that our party created the precious experience for building a strong socialist ruling party which is unshakable in the face of any trials, thereby enriching the treasure house of the theories of the revolutionary party building, and developed the endlessly bright future for the parties and people engaging in the revolution in our times.

The most important of the precious experiences for the socialist ruling party which have been built by our party is that our party has consistently carried out the work of solidifying the party's organizational and ideological foundation. The working-class party is the political organization which is organized based on the working-class ideology, and the way it builds its organizational and ideological foundation is a vital issue that determines its fate.

As the historical experience shows, if we fail to do well the work of firmly solidifying the organizational and ideological foundation, particularly when the issue of inheriting the party's leadership is raised in the entire course of party building, we cannot defeat the maneuvers of imperialists and all sorts of machinators and schemers to destroy the socialist ruling party, and further, a grave consequence will result, such as having ourselves deprived of the party's leadership by the traitors of the revolution.

Whether the working-class party can consistently guide the revolution as the socialist ruling party depends entirely on how it carries out the work of providing the organizational and ideological foundation. Our party has always made it the fundamental problem of party building, both at the time of realizing its founding cause and at the time of coming in power and leading socialism, to firmly solidify its organizational and ideological foundation, and has realized it at the highest standard.

Today, our party is leading socialism at its head, vigorously displaying the might of the socialist ruling party without being perturbed by the imperialists' persistent counterrevolutionary offensive, because it has a firm organizational and ideological foundation which has been solidified for a long time. Our party's founding cause was realized based on its strong organizational and ideological foundation and brilliant revolutionary tradition which had been provided during the anti-Japanese revolutionary struggle. Our party has been strengthened and developed in the consistent struggle to firmly solidify its organizational and ideological foundation under the banner of the chuche idea.

While carrying out the work of firmly solidifying the organizational and ideological foundation as the most important problem of party building and party activities from the time the party founding was prepared until today, which it has embroidered with nearly half a century of the history of ruling party building, our party has put forth numerous original ideas and theories and has built extraordinarily abundant and precious experiences. These experiences encompass all the experiences that become valuable guidelines in building the most solid revolutionary party organizationally and ideologically, such as the experience of firmly building unitary ideological system for the entire party membership, the experience of organizing the party ranks giving priority to ideology and firmly maintaining its purity, the experience of making the party ranks elites, establishing the organization and discipline within the party, and the experience of strengthening the party life and vigorously conducting ideological indoctrination for the cadres and party members.

In the course of creating and continuously developing and enriching these precious experiences, our party's organizational and ideological foundation has been vigorously solidified. Today, the might of our party is great with its solid organizational and ideological foundation. Our party ranks consist of the core elements of the revolution and loyalists who will resolutely protect and defend the party's governing body as a fortress and a shield under any difficult circumstances. Only the leader's revolutionary ideology prevails in the party.

Like our party, history has established an orderly guiding system to realize the leader's ideology and leadership from the party Central Committee to the basic organization of the party cell. Also, history does not know of such a party that is made up of the party ranks of reliable cadres and party members who can share the fate with the leader [yongdoja] of the revolution to the end. Our party achieved great results in the work to consolidate the organizational and ideological basis. Therefore, our party is maintained with an absolute authority as the ruling party and is brilliantly guiding the socialist cause.

Another valuable experience achieved in the course of the struggle to establish a strong and mighty socialist ruling party by our party is that it firmly consolidated the party's mass foundation. Firmly consolidating the mass foundation is the most important problem in establishing a ruling party. A party that is isolated from the masses and cannot receive support from the masses is like a house of cards on sand. Also a stark truth which history shows is that it will collapse in a single day.

The might of the socialist ruling party does not lie in seizing political power and occupying a leadership position, but in deeply rooting itself among the masses and receiving trust from the masses. If the socialist ruling party is to consolidate the mass foundation, it should carry out socialist construction well to highly manifest the superiority of the socialist system, carry out well the work with the masses, and firmly arm them with the socialist ideology. By adhering to this work and wisely leading it, our party brilliantly achieved blood-tied relations with the masses and became an invincible party that carries out activities amid the masses' absolute support and trust.

What occupies an especially important position in our party's activities to firmly consolidate the mass foundation is that it worked to vigorously carry out the struggle to abolish bureaucratism, the old way of work, and its work style from the first time it seized power. Exercising power and bureaucratism on the popular masses in a socialist society is like taking poison. All power in a socialist society is in the popular masses' power. Therefore, ruling the popular masses in a bureaucratic and administrative way in conformity with power, runs counter to socialist power.

Bureaucratism is an antipeople way to rule. This kind of ruling reduces the masses' trust in the party, weakens the masses' revolutionary enthusiasm and creative activeness, and furthermore it only results in destroying the gains of socialism.

From the first day of holding the reins of power, our party deeply recognized the evil of bureaucratism and has actively carried out the struggle to overcome it. For the first time in history our party established a revolutionary work method which can thoroughly do away with bureaucratism. This work method made it possible for the popular masses to fulfill the position of the master of the revolution and established a chuche-oriented work method and party and political method which makes it possible to fully play the role of master. Our party also put forth magnificent slogans such as, "Serving for the people," and "Let the whole party go into the masses."

The ideological and theoretical policies to eradicate bureaucratism and realize a people-oriented policy put forth by our party cannot be weighed with anything else. The policies are to do away with party power among functionaries and enhance people-mindedness, to work so that functionaries can fulfill their role as a messenger of the people and work and lead a life which is clean, and work well to indoctrinate the functionaries of the new generation.

Today, the party and the masses are linked through blood-ties and the great epic of single-hearted unity have been unfolded. Therefore, from the early days our people consistently carried out the struggle to establish the revolutionary mass line, and are warm heartedly ruminating over how much farsightedness and wisdom our party's leadership has in putting efforts into overcoming bureaucratism.

In the struggle to strengthen mass foundation, our party overcame bureaucratism and along with the struggle to establish a people-oriented work method, our party vigorously carried out the indoctrination work to arm the popular masses with the socialist ideology. Therefore, our party became an invincible party which firmly united around the people who have a clear class-oriented stand and high revolutionary spirit.

No matter how hard imperialists and socialist traitors rave about democracy and openness today, this is unworkable for our people who are indoctrinated in the bosom of the party, nor can all sorts of rotten bourgeois ideas and life styles gain access to them. The reality clearly proves that only the party that brilliantly solves the problem of firmly solidifying its mass foundation can firmly adhere to its position as the socialist ruling party and contribute greatly to the cause of the revolutionary party building.

Another valuable experience which our party has attained in the course of struggle for building a strong socialist ruling party is that it has effectively and consistently carried on the struggle to strengthen the party and establish the chuche on the basis of adhering to the revolutionary essence in the working-class party building in conformity with the demands of our times. The developments of the times demand that the theory on party building be developed anew. The previous theory on party building, which came forth during the period when the working-class party waged the struggle to come to power, cannot properly solve the numerous theoretical and practical problems which are raised in party building and party activities after the party comes to power and establishes a socialist system.

Our party has brilliantly solved this important historical task of party building in our times, the new era of independence, in which the popular masses pioneer their destiny independently and creatively. Our party, with its extraordinary ideological and theoretical wisdom and scientific insight, was well aware early enough of the limitations of the existing party building theory and has energetically carried out the struggle to develop the previous party building theory in conformity with the present demands of socialist construction on the basis of firmly adhering to its revolutionary essence. By so doing, the dogmatic attitude toward the existing theory has been thoroughly overcome in our party, and all party building and party activities could be conducted creatively in conformity with the nature of the working-class party and the demands of the times.

It was our party that put forth the original idea on continuously strengthening the party, enhancing its leadership role, and thoroughly establishing the chuche, and in the struggle which brilliantly embodied this revolutionary principle, our party has grown to be an ever-victorious party capable of guiding the socialist cause to the end.

Our party, in the first place, made it an important principle of the revolutionary party building to strengthen the party and indoctrinate the people in a revolutionary manner and it has thoroughly embodied this. If our party had neglected this even a little, placing emphasis only on the economic construction, we would have not been able to build the invincible socialism with powerful chuche which is as strong as it is today in the face of the difficult environment, nor would we have been able to defend the valuable gains of the revolution which we won with our blood.

Our party confirmed the absolute truth that pushing ahead with economic construction after the establishment of the socialist system does not solve everything but that the fundamental key to solving everything is strengthening the party and indoctrinating the popular masses in a revolutionary manner. This proves the greatness of the experience of our party's socialist ruling party building and its eternal life.

Our party put forth the revolutionary principle on establishing chuche in party building and party activities and created a brilliant example in the struggle to embody it. The principle of establishing chuche was consolidated by our party for the first time and the truth of it was confirmed by our party. The establishment of chuche became the starting point and lifeline of all struggles and activities for our party, whose historical root was provided by the fresh new generation communists who resolutely severed their ties with the old generation, which was contaminated by flunkeyism and dogmatism. And our party was strengthened and developed with the great chuche idea as its guiding ideology. Our party always solved all the theoretical and practical problems arising in building a strong party and advancing socialism for itself and from the standpoint of independence, not allowing itself to blindly accept the experiences of other countries' parties. This resolute independent position is intensively embodied in the slogans "Let us live in our own way" and "Ideology, technology, and culture—let all these be put into practice as demanded by chuche." Our party ensured that these slogans were consistently adhered to and thoroughly embodied, so that it developed all fields—political, economic, cultural, and the revolutionary armed forces—in our own style, implanted the chuche spirit deep in our people, and made our country display its brilliant features as the country of chuche.

Today, witnessing the abnormal developments, such as the collapse one after another of the socialist ruling party and socialist system in many countries, we feel with firm conviction that the chuche road we have traversed has been very just, although it was difficult and arduous, and that the road has been the only correct road for pioneering the fate and future of the country, the nation, and the revolution.

Each experience that our party has created in the course of building the strong and powerful socialist ruling party is truly valuable, and its justness and greatness cannot be described even in tens of millions of books.

We are extremely proud of the great party, which is vigorously driving the development of the times by creating the encyclopedic experience to be a valuable guidance for building the invincible party and for accelerating the socialist cause, and are filled with the firm resolution to consummate to the end the socialism of our own style under the leadership of the party.

The fact that our party has correctly solved the succession of leadership is the basic secret of its ability to have been strengthened and developed to be a strong and powerful socialist ruling party and to have accumulated immortal achievements, which will be glorifying over centuries, and created the experience of boundless value in the course of the struggle to constantly develop socialism.

In his masterpiece, "On the Fundamental Questions of Revolutionary Party Building," the dear leader Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea Central Committee Political Bureau and secretary of the party Central Committee, has pointed out: The historic experience shows that if the succession of leadership is solved correctly and foresightedly on the basis of organizationally and ideologically strengthening the party and observing the party-oriented principles, it is surely possible to successfully achieve the socialist cause, with a capable, outstanding leader who is faithful to the socialist cause and the people at the forefront.

The leadership for the socialist cause can be excellently guaranteed only with an outstanding leader in its center. In fact, there has been no such age in history as our era in which the succession of leadership emerges to be a life-and-death demand related to the destiny of the party and the revolution.

The revolution has far advanced and the subject of the revolution has been replaced by the new generations. As the superiority of socialism is being verified and its power of traction is increasing, the class enemies' maneuvers to destroy it become more vicious.

Under these conditions, no country and no people can either build a strong and powerful socialist ruling party or make even a step forward with the socialist cause, without upholding a great leader [yongdoja] capable of succeeding the leadership of the leader who originally pioneered the road of revolution.

Because the succession of leadership has been brilliantly solved in an early stage, our country has successfully implemented the important cause to build the strong and powerful socialist ruling party which is capable to guide the socialist cause to the end.

All victories and successes achieved today in building our party and implementing the socialist cause under the banner of modeling the entire party and society after the chuche idea are valuable results of the party center's seasoned leadership.

Our party has firmly established the monolithic ideological system of the entire party and the monolithic system of the leadership, has achieved the single-hearted unity of the entire party and society, has modeled all members of society after the leader's revolutionary ideology, and has thoroughly embodied the unified, political leadership for society. It is beyond words to admire the immortal achievements, including the ones mentioned above, which our party has accumulated during the struggle to build the strong and powerful socialist ruling party in accordance with the demand of our era.

The history that our party established by the respected and beloved leader Comrade Kim Il-song has been strengthened and developed to be a dignified, invincible party that guides the socialist cause at the forefront is the history of the seasoned leadership of Comrade Kim Chong-il who has generally embodied the great leader's chuche-based party building ideology and theory by invariably adhering to it.

Kim Yong-sam's cohorts' busy movements behind the signboard of a fair election also show that the DLP's promise for a fair election is a mere lie. South Korea's HANGYORE SINMUN has reported that Hanmaekhoe and other private organizations of Kim Yong-sam's are busily maneuvering to drag the voters to the political scene tainted by money and government power. It has also reported that those organizations, saying that the votes of young people in their 20's and 30's determine the result of the election, are frantically carrying out activities to gather 110,000 members and collect 7.7 billion won in operational funds. Also, the DLP's youth office, which played a significant role in irregularities and frauds in the previous parliamentary elections, is speeding up the formation of organizations for mobilizing youth and students in preparations for the presidential election.

Political dealers who, seized with a desire for power, join this party on one day and join another party on another day say that they would hold a fair election. This is a nonsense.

The Agency for National Security Planning has recently staged anti-Republic slander dramas one after another, thus suppressing opposition circles and forces for reunification and democracy. In this way, it has gotten openly involved in the election. Also, soldiers in the puppet forces were ordered to cast ballots to the DLP. This is necessary for the military fascist forces' regaining of power.

Kim Yong-sam and his cohorts have frequently talked about a fair election in order to conceal their dirty colors as those who are good at election frauds and to curry favor with the people. Under the pretext of No Tae-u's departure from the DLP and the formation of a neutral cabinet, they not only oppose the holding of elections of chiefs of autonomous regional administrative units before the end of this year, which dissident democratic forces demand, but also try to retain the current regime's offices for suppression and violence and its vicious fascist laws. In this way, they try to efficiently use their confidants and agents for suppression, whom they have installed in regional administrative units, in election frauds. This treacherous act by the DLP cohorts urges dissident democratic forces in South Korea to awaken themselves.

If one expects that a fair election will be held because the South Korean ruler departed from the DLP and because a specious neutral cabinet was formed, one is very naive. As history shows, dictatorial forces do not abandon their power of their own accord. For the DLP, a group of those who have ambitions for power, to abandon its power is all the more unthinkable. For people of this nature to regain power, they will have no alternative but to hold a fraudulent election by using government power.

For a fair and free election, democratic forces in South Korea must continuously and resolutely struggle to form a pan-national neutral cabinet that listens to people from all walks of life, hold elections of chiefs of autonomous regional units before the end of this year, disband the Agency for National Security Planning and other agencies for suppression and violence, and abolish vicious fascist laws. Preventing the military fascist forces from regaining power and establishing a democratic coalition government by waging a united popular struggle is a key to the democratic development of South Korean society.

Daily Notes Increase in Iron, Steel Production

SK2611232592 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 23 Nov 92

[NODONG SINMUN 23 November editorial: "Let Us Further Increase Iron and Steel Production by Concentrating Our efforts on Metallurgical Industry"]

[Text] Today all party members and workers across the country are vigorously carrying out the struggle of loyalty to brilliantly accomplish this year's economic tasks. Accordingly, the demand for iron and steel is drastically increasing.

Dear leader Comrade Kim Chong-il has indicated: Production of a large quantity of iron and steel is a basic factor for promoting the overall national economy.

Metallurgical industry is a foundation for self-reliant economy. Only when we produce a large amount of iron and steel by developing the metallurgical industry, can we rapidly develop the overall national economy and epochally enhance the people's standard of living.

Without satisfactory production and guarantee of iron and steel, one cannot think of production of all mechanical facilities, including mining facilities, automobiles, tractors, generators, locomotives, and machine tools, nor can one think of the development of light industry and agriculture and of construction of major plants.

We strengthened the nation's economic might in the past by thoroughly implementing the line of building a self-reliant national economy in our country. Thus, we satisfactorily resolved the problems of food, clothing, and shelter for the people in accordance with the demands of socialism. This is attributed to the revolutionary steps taken by our party to develop the metallurgical industry by defining iron as the king of industry.

Today our people, upholding the party's militant appeal, are carrying out enormous works, including the construction of power stations, mines, and other major plant facilities; the construction of houses, and the work to introduce heavy-duty freight cars in railways.

Iron and steel are what are furthermore demanded in the struggle to successfully carry out this year's economic tasks put forward by the party. If iron and steel are satisfactorily produced and ensured, the construction of houses in Pyongyang, which is being carried out according to the party's extensive plan for the building of capital, and construction of power stations and mines can be carried out more vigorously. Besides, a greater upsurge can be effected in carrying out the light industry revolution.

Only when iron and steel are produced in large quantities by concentrating efforts on the metallurgical industry, can the technological revolution be carried out more vigorously, can chuche-orientation, modernizing, and scientizing of national economy be realized, and can the work to strengthen the nation's economic might be actively accelerated.

All party members and workers in the metallurgical industry sector should keenly realize that the production of iron and steel is one of the important issues we should not neglect, even for a moment, in implementing our party's policy and tasks for developing the national economy at present, for strengthening the nation's economic might, and for further enhancing the people's standard of living. By courageously overcoming all difficulties and obstacles, they should carry out the fierce struggle to increase iron and steel production.

Normalizing production at a high-level by fully operating metallurgical plants is an important guarantee for meeting the increasing demand for iron and steel in the national economy.

Under the party's guidance, our people built a great number of iron and steel plants in many places in the nation. The production capabilities of existing metallurgical plants are indeed gigantic. Only if we normalize the production at a high-level by fully operating the existing metallurgical plants, can the nationwide demand for iron and steel be ensured more satisfactorily.

All iron and steel plants should work out revolutionary measures on fully operating their facilities.

Only when the management of facilities is properly carried out, can we normalize the iron and steel production at a high-level by effectively utilizing the existing metallurgical industry foundation.

By more thoroughly establishing the management system of facilities by producers and masses, iron and steel plants should properly carry out daily maintenance, checking and repair of metal furnaces and supplementary facilities based on their plans.

In particular, facility operators and repairmen's responsibility and role should be enhanced, and facilities should be used, managed, and repaired thoroughly based on technical specifications and standard operation manuals.

Being highly conscious that they are masters of production and facilities and are direct counselors for the management of facilities, all operators and producers should value and take good care of facilities and should make active efforts to master them.

Satisfactory supply of raw material, fuel, and materials makes it possible to give full play to production capacity of metallurgical industry, whose scale has enormously developed, and ultimately to normalize production at a high level.

The metallurgical industry sector and related sectors should plan and coordinate work of producing and supplying needed raw material, fuel, and energy, including steel ore concentrate, coal, and electric power, as well as production facilities and their parts. Related sectors and units should collect more waste iron to send to refineries.

The Musan Mining Complex has a very important position in normalizing iron and steel production. All functionaries and working people at the Musan Mining Complex should more vigorously carry out the struggle to increase production of steel ore concentrate, being aware that whether existing iron and steel plants take effect or not depends on their role.

Only when we broadly introduce the chuche-based method of steel production, can we further strengthen the self-reliance of the metallurgical industry and constantly increase the iron and steel production in any raw material and fuel crisis.

Based on the results achieved already, the metallurgical industry sector should more broadly introduce the new method of steel production and plan and coordinate in detail organization work to normalize production at a high level.

At the same time, related sectors, including the coal industry sector, should produce more raw material and materials needed in introducing the new method of steel production and send them to metallurgical plants in time. Also, steel plants should properly work to lower the standard requirement of cokes for production of one ton of pig iron.

To diversify iron and steel product items and their sizes and to improve the quality of products is an important task to be done by the metallurgical industry sector now.

Being aware of the fact that the quality of products and buildings are considerably dependent on the quality, variety, and sizes of metal products that are guaranteed, the metallurgical industry sector should diversify metal products and their sizes and extremely improve their quality.

In particular, it is needed to make facilities larger, modern, high-speed and to vigorously carry out the struggle to produce various iron and steel products that can endure high temperature, high pressure, and chemical—such as acid and alkaline—actions.

By further intensifying creative cooperation with producers, scientists and technicians of the metallurgical industry sector should more smoothly solve scientific and technological problems occurring in the course of diversifying iron and steel product items and their sizes, improving their quality, and normalizing steel production at a high level based on the new steel production method.

All functionaries at the metallurgical industry sector should be aware of the significance attached to iron and steel production in accelerating the general advance for overall development of people's economy and improvement of people's living standard at present. With this awareness, they should come down to iron and steel plants and mines and carry on in detailed planning, in the supply of materials, in labor organization and in the management of facilities in accordance with specific conditions. Functionaries also should properly carry on dovetailed work and lead people by personal example in doing tough and difficult jobs.

The struggle to increase iron and steel production may face many difficulties and hardship. Even when difficulties arise, with the rock-firm faith that "what the party decides, we do," all party members and working people at the metallurgical industry sector should effect innovations in iron and steel production, by highly displaying the revolutionary spirit of self-reliance and fortitude.

Various party organizations of the metallurgical industry sector should more deeply explain the party's intent to increase iron and steel production to party members and working people, who are masters of iron and steel production, and correctly guide them to implement it so that they can fulfill their responsibility and role as masters of the state and society firmly uniting around the party.

South Korea

Consultations With ICAO, U.S., Japan on KAL Tapes Planned

SK0212032592 Seoul YONHAP in English 0312 GMT 2 Dec 92

[Text] Seoul, Dec. 2 (YONHAP)—South Korea will decide whether to accept Russia's proposal for an international commission to investigate the 1983 Soviet downing of KAL 007 after hearing the opinions of the International Civil Aviation Organization [ICAO], the United States and Japan, Vice Foreign Minister No Chang-hui said Wednesday.

"At first we will sound out the ICAO and such countries as the United States and Japan, which were involved in the incident. Then we will hold an inter-ministerial meeting to decide our position. If the opinions of the related countries are all in accord, we will go by them," No told reporters.

The ICAO and the countries will be asked if they would object to South Korea, as the country that suffered the most from the incident, taking over materials from Russia and handing them to the ICAO or they prefer the Russian proposal for an international commission.

The possibilities are high for the countries to choose the international commission as they have opposed Russia's giving materials to Korea on the ground that they too had victims.

KAL 007 was downed over Sakhalin after it veered into Soviet airspace and all 269 people aboard were killed. The victims were from 15 countries, including 105 from Korea, 62 from the United States, 28 from Japan, 23 from Taiwan, 16 from the Philippines and 12 from Hong Kong.

"However, there is no change in our position that we will continue to demand Russia hand the materials over to us first as we are the main victim of the incident," No said.

Rejecting Korea's demand to hand over the tapes from the flight data recorder of KAL 007, Yuri Petrov, chief of the Russian Presidential Administration, told Korean Ambassador to Moscow Hong Sun-yong Tuesday that the tapes should be analyzed by an international commission.

"Even if the international commission is formed, we think the date Russia proposed, Dec. 8 or Dec. 9, is too early. As for the venue, we think Montreal, where the ICAO is headquartered, is better than Moscow, proposed by Russia," the vice foreign minister said.

Asked why Russia left out the flight data recorder's tapes when the black boxes were delivered by President Boris Yeltsin to Korea last month, No said: "It might have resulted from lack of communication within the Russian government.

"It is also possible that Russia handed us only the black boxes and copies of the CVR (cockpit voice recorder) tapes out of consideration for the sentiment of Korea and the positions of the United States and Japan."

Yeltsin personally gave the two black boxes from the plane to Korean President No Tae-u when he was in Seoul two weeks ago.

Victims' Relatives Protest

SK0212015692 Seoul YONHAP in English 0110 GMT 2 Dec 92

[Text] Seoul, Dec. 2 (YONHAP)—Ten relatives of victims of Korean Air Lines flight 007, shot down by the Soviets in 1983, protested Tuesday in front of the Russian Embassy in Seoul to demand that the Russian Government apologize for not including the crucial tapes from the flight data recorder when the black box was turned over to Korea recently.

"The Russian attempt to hand the black box over without the tapes is apparently aimed at shunning responsibility for shooting down the plane," a statement released by the protesters said.

The statement was issued in the name of the association of bereaved families of victims of the KAL 007 downing. All 269 people aboard the plane perished.

The protesters, calling Yeltsin a swindler, demanded Moscow hand over the tapes and the remains of the victims to Korea at an early date.

They accused the Korean government of "giving up national pride" by providing Russia with economic assistance without receiving an official apology because it was engrossed in its "northern policy."

Government Drops Demand for North's Apology Over Spy Incidents

SK0212033792 Seoul YONHAP in English 0327 GMT 2 Dec 92

[Text] Seoul, Dec. 2 (YONHAP)—The South Korean Government has dropped its demand that North Korea apologize for spying on the South before it proceeds with inter-Korean economic cooperation.

A meeting of 18 unification affairs-related ministers decided Wednesday to implement the economic cooperation plans currently on the drawing board if there was "meaningful" progress toward settlement of the North Korean nuclear issue.

This compares with the rigid stance of Prime Minister Hyon Sung-chong, who told parliament on Oct. 27 that the South would not promote substantial inter-Korean economic cooperation unless the North offered an apology for the espionage incident and pledged not to repeat it.

A day earlier, the North proposed that the 12th meeting of the Joint Nuclear Control Commission be held Dec. 8 at the truce village of Panmunjom.

The meeting was presided over by Deputy Prime Minister and Unification Minister Choe Yong-chol.

A responsible government official said, however, that economic cooperation would go forward only if a "faithful and efficient" nuclear inspection regime were agreed on and carried out.

The meeting reaffirmed that preparations for the South Korea-U.S. joint military exercise "Team Spirit" would continue unless "meaningful progress" was made on the nuclear issue, as agreed on in the annual Korea-U.S. security consultative meeting in October.

Should Team Spirit take place, the government will invite North Korea as well as member-nations of the neutral nations supervisory committee to send observers.

The meeting confirmed that the ninth high-level talks will be held as scheduled, without any preconditions.

North's Proposed Nuclear Meeting Hints at Policy Changes

SK0212074592 Seoul CHUNGANG ILBO in Korean 2 Dec 92 p 2

[Text] Choe U-chin, chairman of the Northern side at the North-South Joint Nuclear Control Committee [JNCC], sent a telephone message to Kong No-myong, the South side's chairman, on 1 December. He proposed in the message the holding of the 12th JNCC meeting on 8 December at the House of Peace in the southern portion of Panmunjom.

Meanwhile, at the 11th meeting held on 27 November, the North side said that it could not attend any North-South dialogue, including JNCC meetings, unless the South side announced by the end of November that it would suspend the Team Spirit exercise. It also rejected the South side's proposal that the 12th meeting be held on 10 December.

The North side proposed holding the 12th JNCC meeting even though the South side did not notify the North by the end of November that it would suspend the Team Spirit exercise. This means that there is a possibility that in connection with a Supreme People's Assembly meeting scheduled for 11 November, North Korea may change its nuclear policy and its policy toward the South. This possibility is noteworthy.

In view of the on-going election campaign in South Korea, North Korea's decision can also be interpreted as a ploy to maintain a dialogue channel to continue its smear campaign regarding the Team Spirit exercise.

Government Counterproposes 10 Dec as Date for JNCC Meeting

SK0212081192 Seoul YONHAP in English 0754 GMT 2 Dec 92

[Text] Seoul, Dec. 2 (OANA-YONHAP)—South Korea counterproposed Wednesday that the inter-Korean Joint Nuclear Control Commission [JNCC] meet on Dec. 10 instead of Dec. 8.

It recommended that JNCC working-level officials meet first on Dec. 4 and try to initial an agreement on a nuclear inspection regime before the full-dress commission meeting.

Southern-side JNCC chairman Kong No-myong sent a telephone message in response to North Korean proposal Tuesday to call the meeting on Dec. 8.

Pyongyang's proposal was unexpected since the last JNCC talks Nov. 27 collapsed and negotiators parted without even setting a date for the next meeting.

But South Korean officials remained skeptical about the prospects since North Korea is likely to repeat its demand that Seoul cancel its "Team Spirit" joint military exercise with the United States before the two sides discuss an inspection regime.

Seoul demands that at least one inspection take place before the prime ministers' talks, scheduled here Dec. 21-24.

Foreign Ministry Says Request for Troops in Somalia Denied

SK3011061792 Seoul YONHAP in English 0537 GMT 30 Nov 92

[Text] Seoul, Nov. 30 (OANA-YONHAP)—The Foreign Ministry denied Monday that the United Nations had asked for South Korea to send troops to join the peacekeeping operations in Somalia, and said Seoul was not considering any such move.

Commenting on local press reports that the United Nations had asked Seoul to send troops to Somalia on a number of occasions, a ministry official said that the U.N. Secretariat had unofficially asked about sending a medical team in September.

"But the government turned down the request, citing the domestic situation, and there were no other requests," the official said.

South Korea is not considering any type of dispatch at present, he said.

Reported UN 'Unofficial Request'

SK3011030892 Seoul YONHAP in English 0214 GMT 30 Nov 92

[Text] Seoul, Nov. 30 (YONHAP)—The South Korean Defense Ministry said Monday it had received an unofficial request from the United Nations to send a South Korean contingent for the U.N. peacekeeping operation (PKO) in Somalia.

The U.N. request came shortly after the South Korean Government submitted an answer to a U.N. questionnaire in October, sounding out South Korea on whether it was willing to send its troops as part of the PKO, Ministry officials said.

At that time, the United Nations asked South Korea to send a medical team but Seoul turned down the request on the ground that it was not prepared to take part in the operation, the officials said.

South Korea had wanted to participate in the PKO in Cambodia but it is hesitant to send troops to Somalia because it could suffer casualties in the northeast African country, where armed rebellion is taking place, sources said.

Kim Tae-chung Could Accept Parliamentary Cabinet System

SK0212123192 Seoul YONHAP in English 1107 GMT 2 Dec 92

[Text] Seoul, Dec. 2 (YONHAP)—Kim Tae-chung, presidential candidate of the Democratic Party, said Wednesday that if he were elected, he would accept the parliamentary cabinet system if a majority of people so wish.

"If an overwhelming majority of people were found to support a cabinet system, I am willing to give up my remaining term of presidency in favor of the cabinet system," Kim said

He said that to find out which system—presidential or cabinet system—people prefer, the issue could be put to a plebiscite during the next general elections set to be held in the first half of 1996.

Kim made the remarks at a forum held in the form of a special press conference hosted by the Kwanhun Press Club at the Korea Press Center in downtown Seoul.

"Since the existing popular presidential election system is a price obtained by the people with so much sacrifice and pains, this system can be changed by none but the people themselves," he said.

Kim said that if he wins the upcoming election, he would form a suprapartisan cabinet to aggressively push through his three major policy goals—democratic development, market economy and proper welfare system.

Vowing that his party would realize "politics of change," Kim said that through reformative legislation, he would turn repressive rule into a democratic system and dispel any social prerogatives and the so-called military culture.

"We must change this time. Without change, nothing would improve. Let us make a great choice in the upcoming election and demonstrate our people's potential to the world," Kim said.

Kim Tae-chung's Speech Receives Highest TV Rating

SK0212100592 Seoul YONHAP in English 0853 GMT 2 Dec 92

[Text] Seoul, Dec. 2 (YONHAP)—Kim Tae-chung, flagbearer of the Democratic Party, had the most viewers of the three presidential candidates appearing on late night television Tuesday, and his speech had higher ratings than the programs that it replaced, a private television ratings company said Wednesday.

The eight presidential candidates each have 100 minutes to make five 20-minute speeches on the two nationwide television networks—Korea Broadcasting System (KBS 1) and Munhwa Broadcasting Corp. (MBC)—during the campaign period under the presidential election law.

The Korea Media Service, which used "people meters" linked to 380 television sets in 272 households to measure response, said that 26.5 percent of the viewers watched Kim Tae-chung's speech Tuesday night.

Just behind was Chong Chu-yong, presidential candidate of the United People's Party, with a rating of 24.8 percent, followed by Yi Pyong-ho of the Korea Justice Party (17.1 percent) and, at the tail end, Yi Chong-chang of the New Korea Party (8.3 percent).

Individual ratings among viewers above 20 years old showed Chong Chu-yong at the top (15.7 percent), trailed by Kim Tae-chung (14.8 percent), Yi Pyong-ho (10.4 percent), and Yi Chong-chan (5.3 percent).

Highest ratings went to Chong Chu-young among those in their 40s (27.5 percent), followed by Kim Tae-chung (25.3 percent), Yi Pyong- ho (18.4 percent), and Yi Chong-chan (7.7 percent).

The relatively few viewers in their 20s also most preferred to watch Chong Chu-yong (9.3 percent), followed by Kim Tae-chung (8.3 percent), Yi Pyong-ho (6.4 percent), and Yi Chong-chan (3.9 percent).

The average rating measured over a month was 18.6 percent at 10:10-10:30 (Yi Pyong-ho's time slot), 17.4 percent at 9:50-10:10 (Kim), 15.6 percent at 10:30-10:50 (Chong), and 7.3 percent at 10:00-10:20 (Yi Chong-chan).

A separate poll by the Korea Gallup Television Information Center of 305 households put Kim in the lead with a rating of 22.1 percent, trailed by Chong (20.7 percent), Yi Chong-chan (15.2 percent), and Yi Pyong-ho (12.8 percent).

DP, UPP, NKP Presidential Candidates Deliver TV Speeches on TV

SK0212054792

[Editorial Report] Seoul KBS-1 and MBC Television Networks in Korean on 1 December broadcast speeches by presidential candidates Kim Tae-chung of the Democratic Party [DP], Yi Chong- chan of the New Korea Party [NKP], and Chong Chu-yong of the United People's Party [UPP].

Seoul MBC Television Network in Korean at 1250 GMT carried a 20-minute recorded address by presidential candidate Kim Tae-chung of the DP.

Kim Tae-chung greeted the people and remarked that he would like to elaborate on a few episodes in his life, adding: "We will be able to understand one's policies and ideas only when we learn who one is."

Kim Tae-chung said he was confident that what his name stands for has not changed, although his party affiliations have changed. He then reviewed his childhood, educational background, and successful business career before joining politics. He also explained his detention on sedition charges.

After strongly stressing that the society must turn into a society where all people are rich and where anyone who works hard is repaid justly, Kim Tae-chung said: "If we cannot effect a transfer of power this time, we will have no hope."

In closing, Kim Tae-chung remarked that: "Effecting a transfer of power and making changes requires a strong will and courage. I hope that you, the people, will have a firm will and belief and courage."

Seoul MBC Television Network in Korean at 1330 GMT carried a 20- minute recorded speech by presidential candidate Chong Chu-yong of the UPP, who described his poor early childhood and his life as a poor farmer. He also described his life in Seoul after fleeing his hometown, as well as his career as an owner of a small car repair shop after liberation from Japan in 1945, his involvement in construction projects commissioned by the U.S. Forces in the ROK, his founding of the Hyundai Construction Company, and his successes in construction projects in the Middle East, building a foundation of the Hyundai Group. He added: "Until this emotional moment, when I am meeting you, people, I have worked hard night and day with a firm belief and honesty." Continuing, he said: "Because I think either of the two Kims will be unable to revive our economy and establish clean government in our country, I have decided to run for the presidency." He concluded his speech by saying: "I will build a new country, a prosperous ROK where our people are working filled with hope."

Seoul KBS-1 Television Network in Korean at 1300 carried a 20-minute recorded speech by presidential candidate Yi Chong-chan of the NKP, who explained his political creed and policies. He described his childhood in China as a son and grandson of independence movement activists and his education at the Korea Military Academy. He described why he left the Democratic Liberal Party and founded his party, saying: "I have run for the presidential election, pooling the minds of the people who want a generational shift in the political arena and the elimination of provincialism."

After noting that he will emphasize education if he is elected, he concluded his speech by saying: "I have incurred the enmity of those with political vested rights because I have advocated clean politics. I have incurred the enmity of those relying on plutocracy because I have not taken politics as the means of making money. And, I have incurred the enmity of those who possess power because I have not blindly followed power. Therefore, I will do away with old politics. I am willing to receive the people's judgment as a leading reformist who will uproot plutocracy and remove irregularities in politics."

Police Investigate Hyundai Executives for Illegal Campaign Activities

SK0112070192 Seoul THE KOREA TIMES in English 1 Dec 92 p 3

[Text] The National Police Administration (NPA) has embarked on a full-fledged investigation of executives of Hyundai Precision Industrial Co. on suspicion of illegal campaigning for the Dec. 18 presidential election.

Hyundai Precision Ind. Co. is an affiliate firm of the Hyundai Business Group founded by Chong Chu-yong, who is the presidential candidate of the United People's Party (UPP).

Investigators have confirmed initially that the company executives forced its employees to recruit a certain number of people as members of the party in violation of the Presidential Election Law, an NPA spokesman said.

As a result of the initial probe, NPA has decided to ask the court to issue advanced arrest warrants against Kim Tong-chin, 42, a managing director, and Yi Chae-man, 45, chief of administrative management of the firm's technology institute, on charges of violating the election law.

The two executives are suspected of ordering some 460 employees of the firm to recommend their friends, relatives and others enter the UPP and to give them various gifts.

The Hyundai firm's technology institute was instructed by Hyundai Group leaders to recruit a total of 15,000 people as party members, the spokesman said.

NPA confirmed that the two suspects had bought the gifts at Hyundai Department Store, also an affiliate firm of the business group, according to the spokesman.

He said that those who handed down the instruction to Kim and Yi would be investigated after the advanced arrest warrants against them are issued.

Police Arrest 47 on Charges of Election Law Violations

SK0112091992 Seoul YONHAP in English 0541 GMT 1 Dec 92

[Text] Seoul, Dec. 1 (YONHAP)—The police have arrested 47 people and booked 345 without physical detention on charges of violating the presidential election law as of Monday, a source at the government situation room for clean election said Tuesday.

They are investigating 203 people on similar charges out of 674 against whom complaints have been filed.

The source said that 194 people were charged with providing entertainment for voters.

Registered members of the United People's Party accounted for 328 of the people charged, the Democratic Liberal Party for 62, the Democratic Party for 35, the New Political Reform Party for 14 and independents for 253.

The government is collecting evidence of illegal campaigning for use after the election, the source said.

Eight people who put on a strip show at a UPP function in Taechon, South Chungchong Province, would be charged with obscenity in addition to election law violations, they said.

Government Appoints New Trade Ministry Officials

SK0212130992 Seoul YONHAP in English 1212 GMT 2 Dec 92

[Text] Seoul, Dec. 2 (YONHAP)—The government Wednesday appointed Chae Chae-ok, head of research office, Korea Trade Commission, to serve as first assistant trade and industry minister: An Kwang-ku, director of the Trade and Industry Ministry's Planning and Management Office, as second assistant minister: and Pak Sam- kyu, a standing member of the trade commission, as director of the ministry's planning and management office.

Former First Assistant Trade and Industry Minister Yu Tuk-hwan was named as standing member of the trade commission: and former Second Assistant Minister Chon Kye-muk as head of the trade commission's research office.

* DPRK, Japan to Strengthen Economic Cooperation

922C0218 Seoul MAEIL KYONGJE SINMUN in Korean 23 Jul 92 p 2

[Text] On 21 July, North Korea and Japanese Economic Exchange delegates (headed by director Ijima and East Asia Trade Research Association chairman Toshiyo) jointly announced that the two countries agreed to discuss issues of strengthening trade and economic cooperation and activate the technical manpower exchange program even before establishing diplomatic relationship.

The announcement was issued jointly by two North Korean agencies (Korean International Trade Promotion Committee and Korean Asian Trade Promotion Committee) and two Japanese agencies (East Asia Trade Research Association and Japanese-Korean Trade Association). According to the announcement, Japanese economic delegates toured North Korea for eight days, 14-21 July. It pointed out that the visit was significant in that it is beneficial to the people and economy of the two countries. The Central Broadcast Agency and other North Korean broadcasting agencies reported that through the meeting, the two countries confirmed high probabilities and sufficient conditions for positive development of economic cooperation and exchanged opinions in promoting trade and economic cooperation even before the normalization of diplomatic relationship.

The joint announcement said that through the meeting, both countries agreed to eliminate barriers for trade and economic development and try to speed up normalization of trade relations. It also said that to improve trade and economic cooperation the two countries agreed to strengthen the technical manpower exchange programs. In addition, it was reported that to promote multilateral trade, the two countries agreed to discuss development of processing trade, compensation trade, and joint ventures.

On the other hand, the Central Broadcast Agency said that during the visit, the Japanese delegates were given a briefing on North Korean economic policy toward Japan, national economic forecast, development and forecast of free trade and economic complex in Nachin and Sonpong, investment conditions, status and forecast of North Korean economy encompassing railroad, harbors and communications.

Burma

Rangoon Said Trying To Attract Foreign Oil Firms

BK0212045592 Bangkok THE NATION in English 2 Dec 92 p B2

[By Yan Kao Naing]

[Text] The best news so far to come out of Burma for those awaiting change is the pullout of a Canadian oil exploration company.

Petro-Canada, the Canadian state oil company, recently cited "disappointing exploration results" after a three-year programme including two wildcat wells.

Unocal held 10 per cent, Unocal Canada 20 per cent, Murphy Oil 20 per cent and the rest was held by Petro-Canada. The cost: US$28 million (about Bt700 million).

The pull-out could be the first of a series of withdrawals as exploration efforts begun in 1989 are completed by the end of this year.

Delays and higher-than-expected costs are some of the factors worrying foreign investors even after the Burmese Ministry of Energy granted extensions to the exploration programmes.

The Petro-Canada pull-out has greatly vexed the State Law and Order Restoration Council (SLORC), the military rulers that have been attempting to restore peace and improve an economy which has degraded the country to least developed status beginning three decades ago after the military oligarchy snatched the reins from a civilian government.

SLORC is the latest name for the same group of generals that has continued the strangulation of a once self-sufficient country, since they brutally suppressed a popular uprising in 1988.

Oil and Gas Enterprise (MOGE) officials have been digging into depleted government coffers to send out delegations to oil and gas conferences and seminars in neighbouring countries.

At one recent conference in Bangkok, exploration investors were overheard talking about the Burmese delegates' main intention: "Do you have money to spare for explorations in our country (Burma) is what they keep asking us? They seem almost desperate."

In a country where the national currency the kyat (five-kyat to a dollar at the official rate and 100 kyat on the black market) is virtually worthless and inflation is estimated at a rate of 50 per cent a year, this comes as no surprise.

Foreign investment for oil exploration in Burma plays into the hands of SLORC and the Petroleum Authority of Thailand's Exploration and Production Division (PTTEP). The former for much-needed foreign currency and the latter for partnership deals which could benefit it in the long run, given the geographical proximity to its western neighbour.

In its rush to become the axis in the economic crescent comprising Thailand, Burma, Laos, Cambodia and Vietnam, the Thai Government has turned a blind eye to the human rights abuses committed by the Burmese military regime and allows its agencies to plunge into any deal which could be financially beneficial to the country—such deals range from oil exploration to logging and even the possibility of damming Burmese rivers to provide electricity to a nation where demand will eventually outstrip supply if no alternate energy sources are found.

Even if the pull-out by Petro-Canada, and others in the future, is not prompted by the economic sanctions imposed on a military government that has ignored the will of its own people, any refusal to renew business transactions with SLORC will gradually drain the coffers of the repressive military regime. "Time stands still for no one and nothing is permanent," according to Buddha's teaching.

Perhaps because of the "sensitivity which exists between the Burmese and Thai governments," the exploration issue has been dragged into the Hill 491 controversy currently raging. The Burmese side has cited the safety of foreign firms exploring for natural gas in the Gulf of Martaban for its determination to hold on to the disputed hill, to which both countries have laid claim.

"That's a poorly calculated excuse," said one Burma watcher. "This could misfire if fighting does erupt over the hill. The ethnic Karen rebels who have been fighting the Burmese military for decades could sit on the side and watch things work out in their favour," this same Thai academic added.

One of the oil firms exploring in the area is the French oil giant, Total, which is soon to enter into a partnership with PTTEP—unless things get out of hand.

From a business point of view the oil companies will do business with anyone in order to make money.

From a military point of view, the Karens and other rebel groups in Burma will harass the explorers in order to stop them from enriching SLORC and enabling them to purchase more arms and to keep themselves in power at the expense of their people.

Philippines Secretary Calls on Education Minister

BK0112161692 Rangoon Radio Burma in Burmese 1330 GMT 1 Dec 92

[Text] Mr. Armand Fabella, Philippine secretary of education, culture, and sports, who is currently in Yangon [Rangoon] to attend the 34th Colombo Plan Consultative Committee Meeting, accompanied by Philippines Ambassador Ms. Rosalinda V. Tirona, called on Education Minister Colonel Pe Thein at the latter's office this morning. At the meeting, frank and friendly discussions were held on matters relating to bilateral education cooperation.

Also present at the ceremony were Col. Kyi Maung, deputy minister for education, and responsible personnel from the Education Ministry.

Khin Nyunt Receives Malaysian Justice Minister

BK0212145292 Rangoon Radio Burma in Burmese 1330 GMT 2 Dec 92

[Text] Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council of the Union of Myanmar [Burma], received Mr. Syed Hamid Albar, prime minister's office and justice minister of Malaysia who is currently in Yangon [Rangoon] attending the 34th Colombo Plan Consultative Committee meeting, at the Defense Ministry's Dagon House at 0830 today.

Present at the ceremony together with the secretary-1 were U Ohn Gyaw, minister for foreign affairs, and Thura U Aung Htet, director general of the Protocol Department of the Ministry of Foreign Affairs. The visiting Malaysian minister was accompanied by the Malaysian ambassador, Mr. John Tenewi Nuek.

Abel Receives Malaysian Justice Delegation

BK0212143492 Rangoon Radio Burma in Burmese 1330 GMT 2 Dec 92

[Text] Malaysian Justice Minister Mr. Syed Hamid Albar, who is currently in Yangon [Rangoon] attending the 34th Colombo Plan Consultative Committee meeting and accompanied by Malaysian Ambassador Mr. John Tenewi Nuek and other delegation members, called on Brigadier General Abel, minister for planning and finance, at the Inya Lake Hotel at 1030 today.

At the meeting, cordial and frank discussions were held on matters relating to bilateral economic and regional cooperation.

Brig. Gen. Win Tin, deputy minister for planning and finance, and responsible personnel from the Ministry of Planning and Finance also attended the meeting.

Foreign Minister Returns From Laos Via Thailand

BK0112161192 Rangoon Radio Burma in Burmese 1330 GMT 1 Dec 92

[Text] U Ohn Gyaw, minister of foreign affairs, arrived back in Yangon [Rangoon] by air from Vientiane, Lao People's Democratic Republic [LPDR], today, 1 December, after attending the funeral ceremony of the late LPDR President Mr. Kaysone Phomvihan.

The minister was welcomed at the airport by Major General Maung Thint, minister of development of border areas and national races; Brigadier General Myo Thant, minister of information; U Nyunt Swe, deputy minister of foreign affairs; Mr. Wirasak Futrakun, ambassador of Thailand; Mr. (A. Surachat), charge d'affaires of the Lao Embassy; and directors general and responsible personnel from the Ministry of Foreign Affairs.

On his return from Vientiane, Foreign minister U Ohn Gyaw stopped in Bangkok yesterday, 30 November. The Thai foreign minister, Prasong Sunsiri, hosted a dinner in his honor and they held frank and friendly discussions on matters relating to bilateral relations.

U Lu Maw, deputy director general of the Protocol Department of the Ministry of Foreign Affairs, and Daw Moe Thuzar, the minister's personal officer, also returned.

Surrendered NLD Official Returns to Rangoon

BK0112165092 Rangoon Radio Burma in Burmese 1330 GMT 1 Dec 92

[Text] U Aung Kyaing, NLD [National League for Democracy] township-level officer from the NLD liberated zone which was formed at the DAB [Democratic Alliance of Burma] terrorist insurgents' headquarters in Manerplaw, has returned to the legal fold through the Myanmar [Burmese] Embassy in Bangkok and arrived back in Yangon [Rangoon] on 27 November.

U Aung Kyaing, son of U Tun Myat, resides at No. 149, Aung Thida Road, No. 5 Ward, Hlaing Township, Yangon Division. He served as the treasurer of the NLD's Hlaing Township branch. While he was carrying out the duties of the party, he was persuaded by a person named Maung Khin Mya sent by Sein Win's jungle-based parallel government, and went underground in June 1991. He arrived at Manerplaw through the terrorist insurgent KNU's [Karen National Union] (Nwaleko) camp. He was a warden in the NLD liberated zone's camp committee which was formed in Manerplaw with 30 members. This committee receives Baht 4,000 [approximately $160] per month from Sein Win's jungle-based government and 64 bags of rice per year from the KNU. In March 1992, he, along with other rebels, attended training on human rights which was conducted in Chaing Mai, in the country on the other side of the border. Problems frequently arise between members of the Central Committee and other low-level members in the NLD liberated zone. Low-level members have no trust in the members of the Central Committee. That was why a conference was called and demands were made for the reorganization of the Central Committee and the auditing of financial accounts. But in August, the meeting of the Central Committee of the liberated zone was held without the presence of camp officials and members. At that meeting, Sein Win was appointed as chairman, Win Htet was appointed as vice chairman, and Tin Aung was appointed as secretary. Some of the members of the Central Committee were reshuffled and U Aung Kyaing was appointed as a superintendent officer. After accepting that position he had an argument with Win Aung and Win Ko, both ministerial-level personnel, over their vested interests.

There is no unity between the high-ranking officials and low-ranking members in the NLD liberated zone group. People who joined the group earlier have taken their positions and have intimidated others. It has been learned that U Aung Kyaing returned to the legal fold because he has no faith in the leaders or their vested interests.

SLORC Forms National Convention Work Committee

BK0112155392 Rangoon Radio Burma in Burmese 1330 GMT 1 Dec 92

[Text] 1. In accordance with the power vested in Paragraph 6 of the State Law and Order Restoration Council's [SLORC] Order No. 13/92 of 2 October 1992, the Commission for Holding the National Convention, in order to successfully and systematically carry out the activities of holding the National Convention, has formed the Work Committee for Convening the National Convention with the following members.

The Work Committee for Convening the National Convention:

1. U Aung Toe, chief justice, as chairman;
2. U Tha Tun, attorney general, as vice chairman;
3. U Aung Myin, chief court judge, as member;
4. U Maung Maung Gyi, chairman of Public Services Selection and Training Board, as member;
5. U Aung Khin Tint, legal advisor to the SLORC, as member;
6. U Thein Sein, officer on special duty at the office of the SLORC, as member;
7. U Khin Maung, legal advisor to the SLORC, as member;
8. U Maung Aung, director general of the Immigration and Manpower Department, as member;
9. U Tin Tun, director general of the Culture Department, as member;
10. U Aung Kyi, managing director of Vehicles and Machineries Trading, as member;
11. U Tin Kyi, managing director of Motion Picture Enterprise, as member;
12. U Win Sein, director general of the Information and Public Relations Department, as member;
13. U Aung Thein, managing director of Road Transport, as member;
14. U Tin Tun, principal of the Central Institute of Public Services, as member;
15. U Aye Thwin, rector of the University for Development of National Groups, as member;
16. U Myo Nyunt, rector of the University of Distance Education, as member;
17. Dr. Than Nyunt, pro-rector of the Institute of Economics, as member;
18. Dr. Thaung Myint, professor of Mandalay Institute of Medicine, as member;
19. Dr. Tin Aung Aye, law professor of Yangon [Rangoon] University, as member;
20. Daw Than, Ministry of Education, as member;
21. U Myo Thant, alias Maung Su Shin, Information Ministry, as member;
22. Daw Nan Nont, Information Ministry, as member;
23. U M. Bunaing, Ministry of Rail Transportation, as member;
24. U Labya Than Aung, Yangon City Development Committee, as member;
25. U Aye Maung, director general of the Office for Holding Multiparty Democratic General Elections, as secretary;
26. U Thaung Nyunt, advisor to the People's Assembly Office, as joint secretary-1;
27. U Tin Hla, legal advisor to the SLORC, as joint secretary-2.

2. The responsibilities of the Work Committee for Convening the National Convention are as follows:

A. To perform scrutiny of national convention delegates;
B. To announce the daily venue, date, time, and programs of the convention;
C. To arrange for reception of delegate in the Convention Hall;
D. To coordinate selection of the Panel of Chairman to supervise the daily convention meetings;
E. To issue the namelist of the Panel of Chairman as required;
F. To deliver appropriate decisions regarding the presentations made by the Panel of Chairman for the systematic holding of the convention;
G. To keep records of the proceedings of the convention;
H. To coordinate with the Management Committee for Holding the National Convention with regard to press releases of the meetings;
I. To prepare and present a report on the convention including discussions by the delegates to the Commission for Holding the National Convention.

3. The Work Committee for Convening the National Convention has the right to;

A. Supervise the discussions at the national convention in line with the objectives laid down in Paragraph 4, Section B, of the SLORC's Order No. 13/92 of 2 October 1992;
B. Formulate the programs of the national convention so that delegates will be able to present their views, opinions, and suggestions smoothly in accordance with the procedures laid down by the Commission for Holding the National Convention;
C. Supervise the national convention from beginning to end for the systematic and successful completion of the convention in accordance with the procedures;
D. Obtain coordinated assistance from various government departments and organizations for the success of the convention.

Signed: Myo Nyunt, major general, chairman of the Commission for Holding the National Convention

Brunei, Malaysia & Singapore

Malaysia

Sabah Party Assailed for Amending Constitution

BK0212095792 Kuala Lumpur NEW STRAITS TIMES in English 0907 1 Dec 92 p 1

[By K.P. Waran]

[Text] Kuala Lumpur, Mon.—The recent amendment passed by the Sabah Legislative Assembly empowering it to expel its members on grounds of indiscipline has been described by the prime minister as "not being in the spirit of democracy."

Datuk Sri Dr. Mahathir Mohamed said the federal government would study it to ascertain whether the amendment was ultra vires the federal Constitution.

He told reporters on arrival at the Kuala Lumpur International Airport after a visit to Namibia and Tunisia and attending the G-15 [group of 15 developing countries] summit in Senegal that Parti Bersatu Sabah [Sabah United Party, PBS] had other reasons for passing the amendments.

"I feel they did it to ensure that PBS State Assemblymen do not switch over to other parties. If they do, they can be expelled with the new amendments.

"The amendments had nothing to do with indiscipline or efforts to curb misbehaviour," he said in response to reporters' questions.

On a lighter note, he said the federal government could also introduce similar amendments and expel all PBS MPs from the Dewan Rakyat [House of Representatives].

"If we do it, the international press will claim that we are undemocratic, but when the Sabah State Government does it, they feel it is all right," he added.

On Nov 24, the Sabah Legislative Assembly passed an amendment to the state constitution giving the assembly the power to expel members on grounds of indiscipline, abuse or betrayal of the mandate given by the electorate.

All the 42 ruling PBS Assemblymen voted in favour of the Constitution (Amendment) Enactment 1992 Bill tabled by Chief Minister Datuk Sri Joseph Pairin Kitingan, while nine USNO [United Sabah National Organization] assemblymen voted against the Bill.

The amendment comes in the wake of a suit by Tun Datu Mustapha Datu Harun, the deputy UMNO [United Malays National Organization] liaison chief of Sabah, challenging the validity of the state's anti-party hopping law which was passed in May 1986. The matter is now before the Supreme Court.

Dr. Mahathir said he left it to the people to decide whether the move by the PBS Government was democratic.

On the call by Pairin that the proposed debate on the 20-point Federation agreement be changed to a forum, Dr. Mahathir said this was an attempt by the PBS to cover up its own weaknesses.

"If a forum was held instead of a debate, the people would not know the truth," he said.

Asked to comment on Deputy Prime Minister Ghafar Baba's recent statement that he would continue to support Dr. Mahathir, the prime minister said he had never doubted his deputy's support.

"Allegations to the contrary were only the work of elements out to split UMNO unity for their own gains," he said

Present at the airport to welcome home Dr. Mahathir and Datin Sri Dr. Siti Hasmah Mohamed Ali were Ghafar, Minister in the Prime Minister's Department Datuk Abang Abu Bakar Mustapha, and Agriculture Minister Datuk Sri Sanusi Junid.

Also present were Deputy Ministers Datuk Megat Junid Megat Ayub (Home) and Datuk Alex Lee (National Unity and Social Development), Kuala Lumpur Mayor Datuk Dr. Mazlan Ahmad, and former MP for Parit Datuk Mohamed Bakri Abdul Rais.

Commission Increases Election Constituencies

BK2711134892 Kuala Lumpur NEW STRAITS TIMES in English 26 Nov 92 pp. 1,2

[By K.P. Waran]

[Excerpt] Kuala Lumpur, Wed.—The Election Commission has completed its delineation exercise to create 12 new parliamentary and 43 additional State constituencies as well as making boundary adjustments to other constituencies in Peninsular Malaysia and Sabah.

The provisional recommendations on the proposed parliamentary and State constituencies will be officially submitted to Deputy Prime Minister Ghafar Baba and Dewan Rakyat [Lower House] Speaker Tan Sri Mohamed Zahir Ismail tomorrow.

They will also be put on display for a month from tomorrow to allow those dissatisfied with the recommendations to appeal to the commission before December 25.

Commission chairman Datuk Harun Din told a press conference today that all the constituencies in the country, except those in Sarawak, were reviewed and adjustments made.

He said since the delineation exercise for Sarawak was carried out only in 1987, the commission did not review the constituencies there.

The government had recently tabled a bill in Parliament to increase the number of parliamentary seats from 180 to 192 seats. The additional seas are for the Federal

Territory of Kuala Lumpur (three), Selangor (three), Johor two), Perlis (one), Kedah (one), Kelantan (one) and Pahang (one).

In the exercise, the names of some constituencies have been dropped while new names have been introduced to reflect the proposed new boundaries.

According to the gazette notification, in Kuala Lumpur the proposed new names for the parliamentary constituencies are Wangsa Maju (which has 52,358 voters), Segambut (44,411), Cheras (60,085) and Bandar Tun Razak (43,079), while the name Sungai Besi is dropped.

In Selangor, the proposed new names for parliamentary constituencies are Petaling Jaya Utara (62,494), Petaling Jaya Selatan (62,590), Gombak (57,170), Serdang (50,144), and Subang (55,344). The names Puchong and Petaling Jaya have been dropped.

The Jerlun Langkawi constituency in Kedah has been split into Langkawi (19,086) and Jerlun (40,536); while in Kelantan, Jeli (28,818), Kubang Kerian (38,933) and Peringkat (35,967) are the new names. Nilam Puri and Kok Lanas have been dropped.

In Johor, the proposed two new constituencies are Tenggara (35,163) and Gelang Patah (42,188); in Pahang, Paya Besar (42,815) is the p oposed new seat while the additional seat in Perlis is Padang Besar (31,297).

The State Assemblies of Perlis, Kedah, Perak, Kelantan, Pahang, Melaka, Negri Sembilan and Johor held emergency sittings to amend their respective state constitutions in October and this month to cater for an increase in State Assembly seats.

The Penang State Assembly, however, did not receive the required twothirds majority to increase its State Assembly seats from 33 to 36.

Kedah gets eight new state seats, Perak (six), Selangor (six), Pahang (five), Melaka (five), Kelantan (four), Negri Sembilan (four), Johor (four) and Perlis (one).

Harun said the commission has designated 1,467 display centres throughout the country, mostly at district offices and Government agencies, to enable the public to view the recommendations. [passage omitted]

Government To Give Temporary Refuge to Bosnians

BK2511113492 Kuala Lumpur BERNAMA in English 1001 GMT 25 Nov 92

[Text] Kuala Lumpur, Nov. 25 (OANA-BERNAMA)—Malaysia has informed the United Nations High Commissioner for Refugees (UNHCR) that it will provide temporary refuge for 100 former detainees from Bosnia-Hercegovinia.

Malaysia's offer brought to 3,699 the total number of places offered by some [figures indistinct] nations for about 6,600 Bosnian detainees in desperate need of refuge, a UNHCR statement issued here said Wednesday.

Last Thursday, 17 former prisoners left Croatia for a transit centre in Hungary in a bus convoy organised by the International Organisation for Migration and another 160 were scheduled to follow the next day, it added.

It said all the former detainees being given temporary transit [word indistinct] in Hungary, believed to have family links in Germany, were awaiting completion of formalities before going there.

On Wednesday, the Czech Republic received 142 former detainees and 29 family members, it added.

Earlier, Spain announced it would take another 600 former detainees and their families, making the total 1,000.

The statement quoted the UN high commissioner for refugees, Sadako Ogata, as welcoming the response shown by Malaysia and the other countries.

Ogata said: "At a time when we have difficulty finding help for these people who need it most, we are extremely heartened by the actions of the Czech Republic, Hungary, Malaysia, and Spain.

"Their response will go a long way toward ending the nightmare of separation and imprisonment that these men and their families have endured."

Review of Reduced Use of Methyl Bromide Urged

BK0212104392 Kuala Lumpur BERNAMA in English 0835 GMT 2 Dec 92

[Text] Kuala Lumpur, Dec 2 (OANA-BERNAMA)—Malaysia has asked for a review of the scaling down of usage of the ozone-depleting substance, methyl bromide, by 25 percent by the year 2010 under the Montreal protocol, Deputy Minister of Science, Technology, and Environment Peter Chin said Wednesday.

Although the substance has already been listed as an ozone depleting substance (ODS) during the fourth meeting of members of the protocol in Copenhagen, Denmark, last week, Malaysia had requested for a reevaluation at the next meeting in 1994, he added.

"We want the next two years to serve as a blanket period until more evidence and assessment can be obtained," Chin told reporters after opening a seminar on development of infrastructure to enhance quality of Malaysian products here.

Besides, Malaysian consumption of methyl bromide was only 40 tonnes a year, he said.

Methyl bromide, a substance used in soil treatment and pre-export fumigation of products, is claimed by the United States to have a 0.07 percent ozone depleting potential (ODP).

Peter Chin said the Copenhagen meeting, as expected, made adjustments to which Malaysia, as a developing country and to protect its industries, was against although the protocol was endorsed by other nations.

The move to bring forward the ban on use of chlorofluorocarbons (CFC) from the year 2000 to 1996 was approved by the parties, but this only applied to the developed countries, he added.

Chin, who attended the meeting, said he would be submitting a full report to the ministry soon.

Malaysia, he said, was still the vice chairman of the executive committee of the multilateral fund of the protocol although its term had expired. The United States is the chairman.

Singapore

First Air Services Accord Concluded With China

BK0212152392 Singapore THE STRAITS TIMES in English 1 Dec 92 p 2

[Text] SINGAPORE and China have concluded their first air services agreement.

Aviation officials from Singapore and China successfully completed a provisional agreement following four days of negotiations here last week.

Announcing the air pact yesterday, the Civil Aviation Authority of Singapore (CAAS) said that Singapore Airlines will increase its seats to Beijing, Shanghai and Guangzhou.

Its subsidiary, Silkair, will start regular flights to Xiamen and Kunming next year.

A formal agreement will be signed later on, a CAAS spokesman said.

The CAAS said the agreement allows the airlines of each country to more than double their seat capacity to the equivalent of 14 weekly B-767 services from January next year. A B-767 has about 220 seats.

At present, each country's airlines are allowed a seat capacity equivalent to 5.4 B-767s, or three B-747s. This adds up to about 1,200 seats.

The airlines will also be allowed to introduce freighter services immediately with a capacity equivalent to two weekly B-767 services.

More passenger and freighter capacity will be allowed in the future. Carriers from both sides will also be allowed to fly to and from more destinations in China, the CAAS said.

Both countries' carriers have so far operated under operating licences, which are renewable on a regular basis.

Mr Ng Wee Hiong, Deputy Director eneral of Civil Aviation led the Singapore delegation to the talks.

Mr Qian Zemin, the Deputy Director, Civil Aviation Administration of China, headed the Chinese team.

Each team comprised 10 members.

Silkair has already been running charters to Xiamen and Kunming said its commercial manager, Mr Balbir Singh.

It operate charter tours to Xiamen last year, and has been operating weekly charters to Kunming since October this year.

Response to the charters has been good and regular services will start some time next year, Mr Balbir added.

Singapore has now concluded air services agreements with 79 countries.

Diplomatic Ties Established With Guatemala

BK0112120092 Singapore Singapore Broadcasting Corporation in English 1100 GMT 1 Dec 92

[Text] Singapore has established diplomatic ties with the Government of Guatemala. A Singapore Foreign Ministry statement says this is to strengthen and develop friendly relations between the two countries.

Goh Resigns as MP, To Contest By-Elections

BK0212123392 Singapore Singapore Broadcasting Corporation in English 1100 GMT 2 Dec 92

[Text] A by-election will be held on the 19th of this month for the Marine Parade GRC [Group Representation Constituency]. Nomination of candidates will be held on the 9th December. The writ of the by-election will be issued by the president.

This is announced in a statement from the Prime Minister's Office [PMO]. Mr. Goh Chok Tong, together with Mr. Matthias Yao, Mr. Lim Chee Onn, and Othman Haron Eusofe resigned as Members of Parliament of the Marine Parade GRC yesterday.

Mr. Goh and two PAP [People's Action Party] candidates will contest the by-election. A PMO statement says although Mr. Goh has resigned as the member of parliament, he continues to hold the office of prime minister. The Attorney General has advised that the Constitution does not require him to resign as prime minister to contest the by-election. However, if Mr. Goh is not reelected, he will immediately tender his resignation as prime minister. Similarly, Mr. Matthias Yao remains Parliamentary Secretary and will resign if he is not reelected.

The nomination center will be at Kallang School evening session.

Two serious incidents took place on 16 and 18 November 1992 in Battambang province.

1. On 16 November at around 0530, a man lobbed a grenade into the house of the person in charge of the provincial office of the FUNCINPEC Party, wounding four persons and destroying a house.

2. On the morning of 18 November at around 0130, a group of persons lobbed two grenades into the Battambang provincial office of the FUNCINPEC Party, wounding seven FUNCINPEC party members, four seriously. Two vehicles and a motorcycle were also damaged. The identity of the attackers was not known; however, the grenades used in the attacks are Soviet-made grenades.

UN Says Khmer Rouge Seize Six Peacekeepers

BK0212054592 Hong Kong AFP in English 0535 GMT 2 Dec 92

[Text] Phnom Penh, Dec 2 (AFP)—Khmer Rouge guerrillas have taken six United Nations peacekeepers, including three Britons, hostage in central Cambodia, a UN spokesman said Wednesday.

The peacekeepers were travelling aboard a boat from the disputed provincial capital of Kompong Thom along the Stop Sen River to observe movements of military troops in the area, when they were stopped at a Khmer Rouge checkpoint 20 kilometers (12 miles) from the city, spokesman Eric Falt said.

PDK Representative Comments

BK0212063592 Hong Kong AFP in English 0554 GMT 2 Dec 92

[Text] Phnom Penh, Dec 2 (AFP)—Khmer Rouge guerrillas have taken six United Nations peacekeepers, including three Britons, hostage in central Cambodia, a UN spokesman said Wednesday.

The peacekeepers were travelling aboard a boat from the disputed provincial capital of Kompong Thom along the Stoeng Sen River to observe movements of military troops in the area, when they were stopped at a Khmer Rouge checkpoint 20 kilometers (12 miles) from the city, spokesman Eric Falt said.

The local Khmer Rouge commander who took the UN peacekeepers hostage indicated that he believed they were spying for the Phnom Penh Government, Falt said.

"As soon as we learned of the incident, we contacted the Party of Democratic Kampuchea [PDK] (Khmer Rouge) in Pailin and in Phnom Penh," he said.

"Their representative assured us that the group of soldiers who had taken the (men) must have acted independently, since there is no (Khmer Rouge) policy to confront UN troops."

The peackeepers have been in radio contact with their headquarters in Phnom Penh and have said they were not harmed, Falt said.

UN peacekeepers are actively negotiating for their release, he said, adding that a Khmer Rouge representative from Phnom Penh had been asked to accompany a UN team to the scene of the incident to help with the negotiations.

The UN team was made up of two British military observers, one British naval observer, two Filipinos and one New Zealander.

Gunmen Attack UN Investigators

BK0212111292 Hong Kong AFP in English 1059 GMT 2 Dec 92

[Text] Phnom Penh, Dec 2 (AFP)—A U.N. team on its way to central Cambodia to investigate the capture of six peacekeepers by Khmer Rouge guerrillas came under automatic weapons fire that injured a ranking French officer, a United Nations spokesman said Wednesday.

The officer, whose name and rank were not given, was hit by one bullet in the lower back as the shots pierced the fuselage of their helicopter, spokesman Eric Falt said.

The French-made Puma helicopter was 70 kilometers (43 miles) north of Phnom Penh when it came under fire and was forced to return to the capital.

The fuel tank was also damaged, Falt said.

The team was on a "reconnaissance mission linked to" the hostage-taking, he said.

A separate negotiating team has not yet been able to leave Phnom Penh because the Khmer Rouge had not responded to a request to provide a liaison officer to help secure the peacekeepers' release, Falt said.

Khmer Rouge Party Political Platform Reported

BK0212114592 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 1 Dec 92

["The Fundamental Political Platform of the Cambodian National Union Party"—read by announcer]

[Text] Preamble:

I. The Cambodian National Union Party [CNUP] is a nationalistic, democratic, and peaceful party with the objective of achieving the great Cambodian national union without discrimination against any political colors among the Cambodian people from all strata.

II. To have a firm, broad, and great Cambodian national union, the general interests of the nation and people should be correctly and constantly protected and served.

III. It is with this objective that the CNUP's political platform is formulated.

IV. It is presumed that the CNUP knows intuitively that it will always have both strong and weak points.

V. Therefore, the most important issues are:

A. CNUP members must correctly, meticulously, and thoroughly implement internal democracy in order to control their activities, both right and wrong, based on the CNUP's statute and political platform.

B. The most important fact is that the people throughout the country are the ones who will judge the CNUP's right or wrong activities by reflecting and scrutinizing the concrete actions and performance against the CNUP's political platform. It is the Cambodian people who are the force that will correct and point the way for the CNUP to proceed according to its statute and political platform.

The CNUP has no secrets and has nothing to hide from the Cambodian people. The CNUP is permanently open to let the people see and understand by themselves its activities in the implementation of the CNUP's political platform. The CNUP will not act demagogically or deceitfully. The CNUP firmly believes in the fact that the people can most correctly see and hear what is good and what is bad and what is right and what is wrong through concrete actions. The CNUP firmly adheres to the following slogans:

—Being good and correct to the nation and people will certainly win popular support;

—Acting badly against the nation and people will certainly win the hatred and opposition of the nation and people.

CHAPTER I

Basic Goals of the CNUP:

The basic goal of the CNUP is to unite the entire Cambodian national union forces without discriminating against any political colors within the following framework:

A. Build a Cambodia with independence, sovereignty, unity, peace, and neutrality within its territorial integrity;

B. Build a prosperous and glorious Cambodia in which the Cambodian people of all social strata have a decent way of life, have enough to eat, and are happy and prosperous in every field—political, economic, social, health, cultural, educational, moral, leisure, and so on.

CHAPTER II

The Internal Policy of the CNUP:

A. Political Sector:

1. Promote the great national union of the entire Cambodian people in order to have sufficient national strength to defend and build the nation. In this policy of great national union, there is also a policy of national compromise and reconciliation and unification of the nation, including the Cambodians who used to work with all categories of the Vietnamese aggressors. There will be no revenge whatsoever within the framework of Cambodia's constitution following the general elections called by the 23 October 1991 Paris agreement.

The CNUP is part and parcel of the Cambodian nation and people. Based on the ideal and political goal of great national union of the entire Cambodian nation, the CNUP strives to do everything for this ideal and political goal; its activities will not be for the sake of arguing, quarreling, and fighting for power.

2. Forget the past and all conflicts among Cambodians. Strive to rally great national union forces in the future for the benefit of the Cambodian nation and people.

3. The CNUP sympathizes with, and will provide support and assistance to, other political parties, mass organizations, and personalities that adopt a nationalistic policy and carry out concrete activities in the interest of the nation and people and Cambodia's great national union.

4. To fully respect the universal principles on human rights as stated in the UN Charter.

5. To respect and abide by a parliamentary regime elected by the people through free, direct, and secret ballots.

6. To respect and implement a liberal economic system, privatization [rabab aekachon], and a market system.

7. All Cambodians have democratic rights and the freedom to earn a living, to work, and to have a decent standard of living.

8. All Cambodians have democratic rights and freedom in their political, moral, and material lives in every domain and in every way.

9. All Cambodians have the right to set up political parties, associations, trade unions, and various mass organizations; thay also have the freedom to express their opinions, write, publish, demonstrate, and go on strike; and the freedom to correspond, to travel, and to choose where they want to live.

10. They have the freedom of religion.

11. Buddhism is the national religion.

B. National Construction

1. Economic and Financial Sectors: In these sectors, the aim is to develop both rural and urban areas and to strike a balance to avoid conflicts or crises between cities and rural areas; and maintain economic and financial relations with foreign countries for mutual interest.

a. Agriculture: All types of farming, including grain crops, will be expanded to provide sufficient food supplies moving toward production of both industrial and trade crops. Farming in the forms of individual, family, company, or enterprise, will be gradually developed and modernized. Special attention will be paid to land and water policies to ensure that peasants can practice agriculture.

Investment of foreign capital in agriculture will be allowed on the principle of mutual interest, particularly in modern agriculture.

b. Handicrafts and industry: Expand handicrafts and industry in families, companies, or enterprises based on the same principle as agriculture and with attention paid to local raw materials. Foreign investment in handicrafts and industry will be allowed on the principle of mutual interest, particularly in the infrastructural industries, such as energy and communications networks.

c. Trade: There will be free trade within the country. Trade will be expanded based on both local products and imports. The prices of grain and other produce will be maintained to protect the interests of peasants, industrialists, and traders and also of consumers. Trade relations with foreign countries will be expanded. Foreigners will be allowed to do business on the principle of mutual interest in accordance with Cambodia's laws and taking into consideration the ever-changing economic situation in Cambodia and the world.

d. Finance: There will be a national bank and other banks, such as the internal trade bank, the foreign trade bank, the agricultural bank, and the industrial bank, to serve the economy of the people and the nation. These national and other banks will maintain contacts with the international banks and the banks of various countries.

e. Tourism: This will be undertaken with special attention paid to promoting good relations both inside and outside the country, to gaining benefits in local and hard currency, and also to combating vices that are harmful to the nation and people.

2. Culture, Education, Science and Technology, and Sports:

a. Protect and promote national and popular education, literature, and traditions.

b. Completely eradicate illiteracy within the entire population as soon as possible through a bottom-up educational system, especially through a grass-roots educational system administered on the people right in their villages and work places.

c. Guarantee the right to education and enhance cultural and historical knowledge and the study of literature, arts, and science and technology in primary, secondary, and higher education so that the children of the common people have the right and potential to become well-read.

d. The educational system is aimed at serving the national and popular interests and the prosperity of Cambodia.

e. Cambodian is the official language. At the same time, the CNUP also recognizes other foreign languages that are widely used in the world.

f. Gradually build up and maximize a national cadre of specialists for culture, literature, arts, education, and science and technology to aid Cambodia's development.

g. Make cultural contacts and exchanges with foreign countries; utilize the modern science and technology of foreign countries to serve the development of the Cambodian nation and people.

h. Pay attention to supporting and assisting the promotion of sports and simple physical training among the people for the good health of the masses.

3. Social Welfare, Public Health, and Sanitation:

a. Pay constant attention to the material lives of the people, especially by providing food, clothing, housing, and medicine to the people in general, particularly the grass-roots people who need them the most.

b. Pay attention to protecting and improving the health of the general public, particularly that of the children, women, elderly people, and the handicapped. Pay special attention to sanitation in general so as to protect public health. Use general sanitation among the people as the main basis for both protecting the health of the people and rapidly improving their health. Reduce to the minimum the rate of infant and juvenile mortality.

c. Check all major vices that are harmful and dangerous to the nation and people.

d. Provide support to families with more than four children through various incentives, such as bonuses, land, and production means or tools.

e. Pay attention to improving the living conditions of former combatants who have joined national liberation struggles in degrees commensurate with the good services they rendered to the nation. Pay particular attention to the war invalids and the families of fallen combatants. Also apply this policy to all categories of people who are victims of the devastating war of the Vietnamese aggressors.

f. Support equality between men and women in all fields.

g. Pay attention to enabling the people to find employment and work for a living. Work toward eliminating unemployment.

h. Guarantee that there are good working conditions and labor laws to protect all categories of workers. Guarantee that there is a work security law.

C. The CNUP's Policy Toward Each Stratum of the People:

1. The CNUP's Policy Toward the Peasantry:

a. All have the freedom to engage in agricultural professions privately and freely in various forms.

b. Pay attention to help promote and support the peasantry so that, on the one hand, the peasants have land, water, and production means and transport routes to link the village and commune roads with the district, provincial, and national roads and, on the other hand, the family of each peasant has the possibility to work and live progressively from the state of sufficiency to prosperity and to advance gradually toward embarking on modern farming.

c. Guarantee land ownership for peasants, which means giving them the right to own land; the right to protect their land under the laws following the general elections called by the 23 October 1991 Paris agreement; and the right to the land seized by the Vietnamese aggressors and their lackeys, which should be returned to their former owners.

The CNUP has a policy to repair reservoirs and dams damaged by the war of the Vietnamese aggressors. The party also has a general policy to dig wells and ponds in villages and among families and to build new dams and reservoirs in the villages for the people.

d. Assist in various ways peasants who work to expand crop production. Help them in a scientific and modern way to grow and breed so that the crops will be more productive by setting up companies and putting shares into funds to grant loans at moderate interest rates; help find markets; and protect reasonable prices.

e. Concerning the fishermen, especially the ordinary people who catch fish in nearby fishing grounds, help them in various ways to promote fishing through a policy that hands out concessions at reasonable prices; advocate a policy on fish breeding by both natural and scientific methods; help find markets, protect reasonable prices, and work to gradually raise the degree of scientific and technical expertise in pisciculture.

2. Policy Toward Intellectuals and Students:

a. Guarantee the right and freedom to work for the intellectuals in accordance with their capabilities and qualifications. Assist, support, and encourage the intellectuals, especially researchers, scholars, and scientists.

b. Concerning secondary school students, give them moral support and various incentives so they can study in accordance with their capabilities in the country by increasing the number of higher-education schools and technical institutes. At the same time, students will have the right to study abroad either with state assistance, self-support, or foreign scholarships.

c. Concerning primary school students, pay attention to assisting and supporting them by creating and expanding schools, and training teachers and professors so that gradually there will be enough of them to teach and educate the children of the people from all social strata so that they all can study in primary and secondary schools. Pay particular attention to assisting and supporting the children of needy people with the state providing scholarships under various forms. At the same time, work to encourage as many students as possible to continue their studies in various technical and specialized secondary and higher-education schools in order to increase the number of technicians and specialists.

3. Policy Toward Blue Collar Workers, Field Laborers, and White Collar Employees:

a. Assist and support the guarantee of employment in accordance with capabilities and qualifications.

b. Assist and support the promotion and enhancement of general knowledge and vocational as well as scientific and technical expertise for workers, laborers, and employees through various means so that they can study in their work places and at other places after work hours.

c. Will have a law to protect the right and freedom to engage in professions.

d. Will have a law to ensure work security for the workers, laborers, and employees, such as the prevention of work-related accidents, as well as weekly and annual days off; will have a labor law for workers, laborers, and employees and for working pregnant women; will have a law prohibiting the hiring of children of less than 14 years of age to work.

e. Will have a law protecting and guaranteeing the wages and fees commensurate with the efforts, quality, and work techniques of workers, laborers, and employees.

4. Policy Toward All Kinds of Artists, Musicians, Singers, Actors, and Dancers:

a. Pay attention to promoting, assisting, and supporting the constant development of the artists of all specialities in the interest of both the artists themselves and the cultural and intellectual lives of the people in general in response to the demands of each stratum and generation of people.

b. Establish and promote an institute for methodical and systematic research and study on, training for, and performance of all kinds of arts to preserve the heritage of the nation and people for later generations.

c. Pay attention to protecting and restoring large and small historic temples throughout the country, especially the complexes of Angkor Wat, Angkor Thom, Banteay Srei, and Phnum Kulen temples, and other sites of national cultural heritage everywhere.

5. Policy Toward Handicraftsmen and Small-Scale Businessmen:

a. Pay attention to assisting and supporting the right and freedom of handicraftsmen and small-scale businessmen to engage in their trades so that, on the one hand, there is a guarantee for their livelihood and, on the other, there will be all kinds of goods and products for local consumers everywhere in the country.

b. Pay attention to assisting and supporting the rapid promotion of all kinds of handicrafts and fine arts of the nation and people in the interest of both the handicraftsmen themselves and the national culture, tradition, and economy.

6. Policy Toward Merchants and Industrialists:

Toward Cambodian merchants and industrialists, the party has a policy of assistance and support so they will have freedom to engage in their professions in accordance with their capabilities and potential in the interests of both the merchants and industrialists themselves and the national economy. The party has a law favoring any industrialist who trades on major sectors of Cambodia's economy, such as the agro-industrial networks and the infrastructural industries, such as the communications networks and energy.

7. Policy Toward Cambodians of Different Nationalities: Cham, Javanese, Lao, Bnong, Jarai, Tampuon, and so on:

a. The CNUP, through its policy of great national union, proposes the use of the word Cambodians to designate all Khmer people of all nationalities living in Cambodia, such as Cham, Javanese, Lao, Bnong, Jarai, Tampuon, and so on, in order not to separate them into majority and minority peoples. If they are separated, contempt and scorn for one another would arise, which could be detrimental to the great national union.

b. Resolutely eliminate the sense of contempt, scorn, and inequality toward Cambodians of different nationalities. On the contrary, it is imperative to care for these brothers in accordance with the principles of respect and equality and assist and support them so that they can prosper rapidly in all domains like the rest of the Khmer people throughout the country.

c. Cambodians of different nationalities enjoy the same rights as all other Khmer people.

d. Pay attention to protecting all traditions and languages of the Cambodians of different nationalities.

e. Pay attention to assisting and supporting the development of all Cambodians of different nationalities in all sectors and domains—political, economic, cultural, and social—like all Khmer people throughout the country.

f. Pay attention to protecting and developing in all fields the highlands [damban leu] where Cambodians of different nationalities are living, especially expanding communications routes so that they can make contacts, and trade and prosper with the rest of the country.

8. Policy Toward Buddhist Monks:

a. Pay attention to assisting monks so they can freely perform religious activities.

b. Pay attention to enabling monks to enhance their priestly as well as worldly knowledge.

c. Consider the monk's knowledge of national literature and other expertise as equally valuable as that obtained through general education.

9. Policy Toward Cambodians Taking Refuge Abroad:

a. Pay attention to enabling Cambodians who took refuge abroad during the occupation of Cambodia by the Vietnamese aggressors to be repatriated to Cambodia.

b. Repatriated Cambodians who took refuge abroad have the political rights, the right to work and engage in all professions, and all other rights as other Cambodians in the country in their capacity as fellow Cambodian citizens.

c. The CNUP has the policy of assisting repatriated Cambodians who took refuge abroad to exercise the right to regain ownership of their land and houses that were confiscated by the Vietnamese aggressor authorities and their lackeys.

10. Policy Toward Foreign Residents in Cambodia:

a. Foreign residents in Cambodia have the right to reside and engage in all kinds of professions within the framework of the laws of Cambodia following the general elections called by the 23 October 1991 Paris agreement.

b. Foreigners may obtain Cambodian citizenship when they fulfill all the conditions of the constitution and laws of Cambodia following the general elections called by the 23 October 1991 Paris agreement.

c. The Vietnamese settlers, who are part of the Vietnamese aggressor forces and who have illegally entered Cambodia should be settled by sending those people back to Vietnam.

D. Policy Toward a Number of Issues:

1. Policy on Land in Cambodia: According to the records, there are two categories of land: First, the land belonging to the state and second, the land owned by the private sector. State-owned and privately owned land cannot be sold to foreign owners. However, foreigners may rent land in Cambodia under contracts with specific time frames according to the laws of Cambodia following the general elections called by the 23 October 1991 Paris agreement. Foreign countries have the right to purchase land in Cambodia and own it for the purpose of building emabassies or missions only according to the laws of Cambodia following the general elections called by the 23 October 1991 Paris agreement.

The CNUP's policy is that both state-owned and privately owned land either appropriated for themselves or sold to foreigners by the Vietnamese aggressor authorities and their lackeys should be returned to the state or their former owners in accordance with the laws of Cambodia following the general elections called by the 23 October 1991 Paris agreement.

2. Policy on Taxes:

Taxes in Cambodia must be reasonable and fair.

Reasonable means that taxes must be levied in proportion with the state of the economy and the living conditions of the people. There is no need to impose excessive, myriad taxes that can only harm the economy and living conditions of the people.

Fair means that taxes should be levied on all social strata. Taxes must not be imposed only on peasants and functionaries. It is incorrect to refrain from imposing taxes on or to secretly reduce the taxes that are imposed on the rich, on those who have a high standard of living.

In particular, it is incorrect for big businesses to evade taxes. Tax evasion on annual profits usually amounts to no less than 50 percent of the tax collection in the whole country. The evasion of income taxes results in a loss of as much as billions of riel [Cambodian currency] to the state every year. This causes the state to have a deficit and leads it to levy more taxes on the people.

In managing and using tax revenue coming from citizens, attention will be paid to serving to the maximum the interests of the country, nation, and people whether in annual or multiyear plans. In particular, attention will be paid to the construction of waterworks in rural areas and networks of big and small roads in villages, communes, districts, provinces, and throughout the nation.

The policy on using tax revenue should be correct and very meticulous because past experience has shown that about 70 or 80 percent of the tax money has lined the pockets of individuals. This is why in the past parliament and the government kept saying that there was a shortage of funds for the budget; then laws were successively drafted to constantly increase taxation, particularly on the peasantry. Furthermore, the deficit—because tax money has gone into individuals' pockets—is a factor causing goods prices to constantly rise, thereby constantly affecting the people's lives.

3. Policy Toward Corruption:

Concerning corrupt activities, particularly major ones seriously affecting the nation and the people, the CNUP has a policy to cooperate with national and people's forces to fight these major vices which seriously affect the nation and people, with legal means, along with parliament, government, and tribunals.

CHAPTER III

Foreign Policy of the CNUP:

A. The essence of the CNUP's foreign policy is:

1. Cambodia is independent, unified, peaceful, neutral, and nonaligned.

2. No foreign military base is allowed in Cambodia and no Cambodian forces are allowed to be stationed in other countries.

3. Respect for the UN Charter, the principle of nonalignment, and the five-point principle of peaceful coexistence.

4. Respect for international laws and the treaties and agreements that Cambodia has signed, except those concluded during the period starting from March 1970, specifically during the period of the Vietnamese invasion and occupation of Cambodia.

5. All the agreements and treaties concluded by the Vietnamese-installed regime with the Vietnamese aggressors or others countries will be nullified, for these constitute a total violation of international laws and Cambodia's sovereignty. The CNUP also specifies that the delimitation of land and maritime borders by the Vietnamese aggressors and the puppets, or unilaterally carried out by Vietnam the aggressor, was done in violation of Cambodia's territorial integrity. Therefore, this will be nullified and Cambodia's territorial integrity should be restored in accordance with pre-1970 official maps.

B. The CNUP's Policy Toward Countries and Groups of Countries:

1. The CNUP wants Cambodia to become a member of the Association of Southeast Asian Nations called ASEAN.

2. The policy toward neighboring countries is to coexist with peace, friendship, cooperation, and noninterference in each other's affairs on the basis of the five-point principle of peaceful coexistence.

3. Cambodia opens its door to relations and cooperation in the fields of economy, trade, culture, science and technology, and other fields, with all countries the world over on the basis of mutual respect and mutual interest.

CHAPTER IV

The CNUP's Policy on National Defense:

A. In order to have a firm and large national force, absolutely adheres to the great national union policy with a view to defending the nation.

B. Absolutely stands by Cambodia's constitution following the general elections called by the 23 October 1991 Paris agreement.

C. Stands by the fact that Cambodians from all social strata should have interests in the economy and the standard of living in order to achieve social equilibrium and security.

D. Absolutely adheres to the CNUP's entire internal policy in every sector as stated in Chapter II.

E. Absolutely adheres to the CNUP's foreign policy as stated in Chapter III.

F. Stands by a national army born from a great national union policy and stands by the self-defense networks of the people in general, particularly in the villages.

KR Document Reports Plan To Topple Government

OW0212130292 Tokyo KYODO in English 1250 GMT 2 Dec 92

[Text] Phnom Penh, Dec. 2 KYODO—Cambodia's Khmer Rouge [KR] guerrilla faction has secretly decided to embark on regaining power by toppling the Phnom Penh government, defying the UN-initiated peace process, according to a confidential document made available to KYODO News Service on Wednesday.

The guerrilla group launched its new power scheme at a meeting of its leaders last January 10, according to the top secret, nine-page document.

The document said the faction refuses to join the second phase of the UN-brokered cease-fire, which requires all four rival factions in the country to start demobilizing their military forces in June this year.

The group aims to regain power by toppling the current Phnom Penh government through military force and placing Prince Norodom Sihanouk as head of state, the document said.

It said the faction would also seek to expand its territory through military means, relying on the export of gems and timber from areas under its control as financial support for such strategies.

A Supreme National Council (SNC) source offered the document to KYODO and said top leaders, including the Khmer Rouge's paramount leader Pol Pot, attended the January meeting.

The SNC headed by Sihanouk is a conciliatory organization made up of the four rival factions.

The Khmer Rouge will continue its military attacks to achieve its final purpose of coming to power again, the document said.

The Cambodian peace process was launched with the signing of an accord by the four factions in Paris on October 23, 1991, to halt the 13-year war.

The Khmer Rouge has refused to join the second phase of the peace process, saying Vietnamese troops are still in the country.

The United Nations Security Council voted Monday for a resolution to impose economic sanctions on the guerrilla group unless it agrees to participate in general elections slated for next May.

Son Sann Protests Poll Registration in Kratie

BK2911012892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 Nov 92

[From the "News Brief Feature"]

[Text] In a message dated 17 November 1992 to His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian SNC [Supreme National Council], His Excellency [H.E.] Son Sann, SNC member, protested that in Kratie Province UNTAC [UN Transitional Authority in Cambodia] protected the Vietnamese in the poll registration.

The message specified that during three days of poll registration in Kratie Province, 670 persons received voting cards from UNTAC; 50 percent of these people are Vietnamese. The representative of H.E. Son Sann's party lodged a firm protest; however UNTAC officials in charge of elections savagely tore apart and burned this protest note.

This is further proof that UNTAC is not implementing the 23 October 1991 Paris agreement. On the contrary, UNTAC maintains Vietnam's presence in Cambodia and defends Vietnam's participation in the elections in Cambodia to enable the Vietnamese aggressors to annex Cambodia through their act of aggression and through legitimate means.

Chea Sim Greets Newly Elected Lao Party Chief

BK2811135992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 28 Nov 92

["Message of Greetings from His Excellency Chea Sim to His Excellency Khamtai Siphandon"—dated 26 November; read by announcer]

[Text] Your excellency: On behalf of the Cambodian People's Party and in my own name, I am extremely happy to convey the warmest congratulations to you on your nomination as chairman of the Lao People's Revolutionary Party [LPRP].

Under the intelligent leadership of the LPRP headed by your excellency, the brotherly Lao people will certainly achieve new successes in the implementation of the reform policy in agreement with the resolutions of the fifth LPRP Congress.

I am firmly convinced that with your supreme function, the friendship and solidarity and diverse cooperation between our two countries' parties and peoples will continue to develop.

May you have good health and score new, still greater successes in the implementation of your duty.

Your excellency, please, accept my highest salutations.

Heng Samrin-Led Delegation Returns From Laos

BK0112061492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 1 Dec 92

[Text] After attending the funeral of His Excellency [H.E.] Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party and President of the Lao People's Democratic Republic [LPDR], who passed away on 21 November in Vientiane, the high-ranking delegation of the party and Government of the State of Cambodia [SOC] headed by H.E. Heng Samrin, honorary chairman of the Cambodian People's Party [CPP] and chairman of the SOC Council of State, safely returned home at 1200 on 30 November.

Greeting the delegation at Pochentong International Airport were their excellencies in the Standing Committee of the CPP Central Committee, namely H.E. Say Phuthong, vice chairman of the Council of State and chairman of the CPP Central Committee's Control Commission; H.E. Chea Soth, vice chairman of the Council of Ministers; H.E. Say Chhum, permanent vice chairman of the Council of Ministers; Prince Norodom Chakkrapong, vice chairman of the Council of Ministers; Mrs. Men Sam-an, chairman of the Cambodian Federation of Trade Unions; H.E. Nguon Nhel, minister of agriculture; and H.E. Ney Pena, vice chairman of the CPP Central Committee's Control Commission; as well as ministers, deputy ministers, directors-general, and deputy directors-general of several ministries.

The representative of the LDPR Embassy was also on hand.

Presence, Activities of Thai Banks Viewed

BK0212045992 Bangkok THE NATION in English 2 Dec 92 p B12

[Excerpt] Phnom Penh—Despite political uncertainties, mainly generated by the United Nations' economic sanctions, most Thai bankers do not see any risk operating the business in Cambodia.

"We should consider (opening a branch there) as a long-term investment and we should have trust in the country," said Dr Som Chatusipitak, Siam City Bank president.

"The UN sanction is not worrying. Our bank's balance sheet was once in the red, but we can eventually survive."

He also admired the economic prosperity of Cambodia as well as its social development. He hopes to develop closer ties with the country.

Siam City Bank on Monday opened a branch in downtown Phnom Penh, following Thai Farmers Bank, Bangkok Bank, and Krung Thai Bank. Siam Commercial Bank and Bangkok Bank Metropolitan Bank joined the Cambodian Government to set up the Cambodian Commercial Bank and Cambodia Farmers Bank. Laemthong Bank's proposal to establish a branch there has already been approved as has a Malaysian bank's.

National Bank of Cambodia Governor Cha Rieng, however, admitted that large investors may delay expanding business in the war-torn country until brighter economic signs emerge.

He also suggested that many provinces are still attractive for foreign investment, such as Koh Kong and Kampong Cham.

The governor urged Thai commercial banks to create trust among Cambodian people to encourage them to deposit money.

But the manager of Siam City Bank's Phnom Penh Branch, Kriangsak Arunsin, admitted the task is difficult because of the local people's lack of understanding of the banking system.

He also said it should the central bank should be taking action. [as published]

"The government should play a key role in this regard, educating their people (how the system works.) It could work better than Thai banks, which are strangers here and relatively lack support. "

In the initial stage, to promote more deposits, the bank has attempted to educate the local people on how to use a bill of exchange, which is safer than carrying cash.

Although foreign banks are allowed to operate all banking activities in Cambodia, the country's banking business still has a long way to go before there is prosperity. This is due to a limited number of customers.

Almost all foreign banks there rely heavily on servicing officials of the United Nations, while low purchasing power significantly obstructs Cambodian people from joining the cycle.

Hiring five local staff in addition to six Thais, Siam City Bank's Phnom Penh Branch is set to adopt a direct approach to making local people confide in the bank and consequently deposit their money there.

The Cambodian central bank has a 30 percent stake in Cambodian Commercial Bank through which the UN transfers all financial aid.

"We're disadvantaged, though here we are not rivalling one another in terms of interest," said the Siam City manager. "However, we hope that a substantial number of UN officials will turn to us. We believe that our service will be faster than the bigger banks' due to the fewer customers."

Lending will not be available until the political situation improves and the bank becomes more acquainted with the country, said Kriangsak.

According to Kriangsak, National Bank of Cambodia has offered foreign banks 0.25 per cent interest for depositing money with the central bank.

He complained after the meeting on Monday that the spread is seen as too low considering inflation as high as 300 per cent and the high operating cost in Cambodia also has to be taken into account. [passage omitted]

Tie Banh Visits Siem Reap-Oddar Meanchey

BK0212101592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 1 Dec 92

[Text] Accompanied by Mr. Cham Prasit, deputy minister of the Council of Ministers cabinet; Mr. Ou Aohat, deputy planning minister; and Lieutenant General Sum Samnang, chief of the Army General Logistics Department, His Excellency [H.E.] General Tie Banh—member of the Standing Committee the Cambodian People's Party [CPP] Central Committee, vice chairman of the Council of Ministers, and defense minister of the State of Cambodia [SOC], visited people in Siem Reap-Oddar Meanchey Province on 23 November.

Welcoming the delegation at the provincial airport were Mr. Neou Sam, chairman the provincial party committee and people's committee; Brigadier General Chea Man, deputy commander of the fourth Military Region, and many other leading cadres in the province and the military region.

On the afternoon of the same day, the delegation went to the voters registration site at the Dak Thuor monastery in the Siem Reap-Oddar Meanchey ward and happily took part in applying for voter registration cards with the people. This shows the delegation's willingness to use their rights as citizens according to the democratic principle, and especially to see the peace agreement on Cambodia proceed successfully.

In his four-day stay in the province till 26 November, H.E. Gen. Tie Banh, accompanied by provincial officials and those from the fourth Military Region, visited Buddhist monks and people at every village and commune, particularly in Chi Kreng, Sot Nikum, and Kralanh districts. At the localities, he listened to reports, witnessed the development, and took note of the people's need to improve their livelihood and increase their achievements so as to build a prosperous nation.

At every meeting, H.E. Gen. Tie Banh conveyed the questions and concern of top party, government, and front leaders to the people. On the implementation of the peace agreement in Cambodia, he pointed out that the SOC side has always executed the UN peace accord correctly. Especially, it has closely cooperated with UNTAC [UN Transitional Authority in Cambodia] forces and has spearheaded the implementation of important issues so as to make headway in the peace efforts. However, he added, for more than a year the Party of Democratic Kampuchea [PDK] has complicated the Cambodian peace process by further refusing to execute the UN peace plan and by breaching the accord and cease-fire. They continue to wreak havoc on the lives and property of the people and UNTAC. What needed the greatest attention, he pointed out, is the situation during the coming dry season. In any case, H.E. Gen. Tie Banh continued, the SOC side will continue to attentively execute the UN peace plan and will remain a core force for national reunification. This is to restore peace in Cambodia, and especially to make the holding of the democratic elections under the UN supervision in Cambodia in May 1993 a success.

H.E. Gen. Tie Banh also handed over donations from the CPP to Buddhist monks and people at every locality for building monasteries and schools.

On 27 November, H.E. Gen. Tie Banh and his delegation left the Siem Reap-Oddar Meanchey Province after completing a four-day tour.

Seeing the delegation off at the provincial airport were Neou Sam, Brig. Gen. Chea Man, and several other provincial and military officials.

Hun Sen's Visit to Takeo Province Reported

BK0212091192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 1 Dec 92

[Summary] Accompanied by General Pol Saroeun, deputy defense minister and chief of the Army General Staff; Trade Minister Nhim Vanda; Deputy Interior Minister Sok An; and Im Sothy, deputy minister attached to the Council of Ministers cabinet, "His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party [CPP] and chairman of the Council of Ministers, and his wife on the afternoon of (?27) November visited the people and Buddhist monks at the Boeng Khleng monastery in Treang district of Takeo Province."

At a gathering, Hun Sen told the people about "the CPP's efforts in the process of achieving national reunification and in the search for peace and security for the Cambodian people." Also, he spoke about "violations of the peace accord by the Khmer Rouge, who continue to wreak havoc upon our nation." Finally, he pointed out to the people that "the CPP and the State of Cambodia Government will do what they can to improve the people's livelihood and prevent the danger of the past from recurring in Cambodia."

Inflation Reportedly Levels Off at 284 Percent

BK0112131292 Hong Kong AFP in English 1225 GMT 1 Dec 92

[Text] Phnom Penh, Dec 1 (AFP)—Inflation levelled off in the month of October, but still reached 284 percent for the first 10 months of the year, the U.N. Transitional Authority in Cambodia (UNTAC) said Tuesday.

Prices on some consumer goods, including rice, beans and sugar, even dropped 10 to 20 percent, the UNTAC statement of economic indicators said, noting that inflation for the first 10 months of the year stood at 284 percent.

The freeze on price increases was attributed to "historical seasonality trends...as Cambodia enters its yearly transitory post-harvest period of slower growth in prices."

The report also said monthly customs receipts rose three-fold from 3.3 billion riels (1.65 million dollars) in January to a record 10 billion riels (five million dollars) in October.

"The size of the budget deficit remains an outstanding policy concern. Effective action to raise revenues is key to the arrest of the deteriorating situation," the report said, citing new tax hikes imposed in early November.

Radio Australia Starts Cambodian Broadcast 1 Dec

BK0212095192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 1 Dec 92

[Text] Dear listeners: Starting from 1 December 1992, Radio Australia is happy to offer a new program in the Cambodian language. This program is 30 minutes long, and you will hear international news, major world events, nice songs, and special news from Australia. Please do listen to this half-hour program in Cambodian, Monday to Friday, every week.

The daytime broadcast is at 1230 on 17,880 kHz in the 16-meter band; and on 17,670 kHz in the 16-meter band. The daytime program will be rebroadcast at night at 1930 [1230 GMT] on 13,755 kHz in the 22-meter band; on 7,150 kHz in the 41-meter band; and on 9,770 kHz in the 31-meter band.

Indonesia

East Timor Governor Interviews Captured Rebel

BK0212013092 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 2 Dec 92

[Text] Xanana Gusmao, leader of East Timor GPK [Security Disturbing Movement] has expressed his regret over his activities, which have caused casualties among people. He also admitted that East Timor belongs to Indonesia and Indonesia belongs to East Timor.

In an interview with East Timor Governor Abilio Soares carried by the TVRI [Indonesian television network] last night, Xanana Gusmao unequivocally expressed his regret over the Dili incident on 12 November last year, which had caused heavy casualties. Xanana expressed regret over his action because he had not expected that the incident would cause such heavy casualties among civilians and members of the security forces. During the interview, Xanana also called on Fretilin [Revolutionary Front for an independent East Timor] members, who are still conducting their subversive activities, to lay down their arms and join others who have returned to the republic's fold so as to take part in East Timor's development.

Further on Rebel Leader Arrest

BK0112122892 Jakarta THE JAKARTA POST in English 24 Nov 92 p 2

[By Jacob Herin]

[Text] Dili, East Timor (JP)—Jose Alexandre "Xanana" Gusmao, the leader of the Fretilin [Revolutionary Front for an Independent East Timor] rebel movement, had been stalked for months by army intelligence officers before his arrest Friday, according to military sources. Xanana who had led the separatist movement for 16 years, was arrested in the early morning in a house in Luhane village, three kilometers south of this provincial capital city.

Colonel Yohan Supit, assistant for intelligence to the East Timor military commander, Brigadier Theo Syafei, told THE JAKARTA POST yesterday that the military had arrested five other people who had helped the rebel leader before he was captured.

According to Supit, two of the five are brothers-in-law of Xanana, suspected by the government of masterminding the anti-government demonstration which developed into the bloody November 12, 1991 riot. According to the government, 50 people were killed as troops clashed with the protestors.

Another source at the military command, who refused to be identified, told THE POST yesterday that Xanana on October 27 traveled in a cargo truck from Datina village, Manugafi Regency, 120 kilometers south of here, to Same, the regency capital.

In the evening Xanana proceeded to Dili in the same vehicle with the intention of planning an anti-government demonstration in commemoration of last year's incident, according to the source.

While no demonstration took place, Xanana three days later left for Manatuto Regency, his home regency, 60 kilometers east of Dili. He managed to pass a security check at the town's outskirts with a forged identity card, the source said.

On November 18, Xanana returned to Dili and toured the city on motorcycle. In the evening he held a meeting in a house to prepare for another demonstration.

At 7 p.m. the following day, he left the house in a car belonging to his brother-in-law for another tour of the town. He came back home later, ordered a cup of coffee and went to bed. He was arrested the following morning.

The military said eralier that Xanana was arrested with the assistance of local people.

West Asked To Stay Out of East Timor Issue

BK0112135892 Jakarta THE JAKARTA POST in English 23 Nov 92 p 1

[By Jacob Herin]

[Excerpts] Dili (JP)—East Timor Governor Abilio Jose Soares warned the West not to intervene on behalf of Xanana Gusmao. The Fretilin [Revolutionary Front for an Independent East Timor] separatist group leader who was captured on Friday after waging a 16-year guerrilla war.

"They should not involve themselves too much in the affairs of East Timor," Abilio told THE JAKARTA POST on Saturday when asked to comment on the reactions of foreign governments to Xanana's arrest.

Xanana, 45,is the self-proclaimed commander of the Fretilin rebel movement, which has lost a good deal of its power during the past few years as the number of its adherents has declined. He was arrested while in hiding at a house just outside Dili by members of the Kopassus [Special Forces Command] special army unit.

Portuguese President Mario Soares appealed for the release of Xanana immediately after news of his capture reached Lisbon. [passage omitted covered by second referent item]

"I was questioned by an Italian citizen yesterday about the arrest," Abilio said, without revealing the person's identity or affiliation. "I told him that when we East Timorese experienced hardship, coercion and torture during 450 years of Portuguese colonialism, not a single Western country came to our defense. Only since our integration (with Indonesia) do you pay attention to East Timor." [passage omitted]

Abilio, who replaced former governor Mario Viegas Carrascalao last month, ruled out the possibility of Xanana's participation in negotiations about the future of East Timor.

"Who does he represent?" the governor asked. "If anyone is to represent East Timor, it should be me. I think I am more entitled to speak for East Timor than he."

"East Timor is a problem internal to Indonesia. The only person authorized to represent Indonesia abroad is Ali Alatas, the foreign minister," Abilio said.

Portugal has insisted that Fretilin take part in any talks about the future of the province. Indonesia rejects that notion outright, saying the separatist group does not represent the views of the majority of East Timorese, who chose to integrate with Indonesia in a 1976 referendum.

Abilio, who mentioned the day before that he had known Xanana in school, said he would consider offering the Fretilin leader a job in the governor's office once he settled his affairs with the military. He gave assurances that Xanana is in good condition and is being treated with respect by the military.

"He has not been tortured or beaten. The East Timor military commander, Brigadier General Theo Syafei, even ordered that Xanana not be handcuffed and that his captors provide him with sufficient clothing and food."

News of Xanana's arrest was greeted with relief by many people here who hope that the province might finally get on with the job of developing its economic resources.

"People now work and sleep better," said Antonio Freitas, the chairman of East Timor's legislative council. Other council members also welcomed the arrest and expressed gratitude to the military.

Xanana's arrest was first announced in Dili over local radio Friday evening. It was later confirmed in a nationwide broadcast over stateowned TVRI [Televisi Republik Indonesia]. [passage omitted]

Jakarta To Develop Trade Lobby With EC, U.S.

BK3011111192 Jakarta ANTARA in English 0911 GMT 30 Nov 92

[Text] Jakarta, Nov 30 (OANA/ANTARA)—The government can provide more funds to further develop Indonesia's trade lobby among the European Community (EC) countries and in the US, President Suharto said here Monday.

The president's statement was quoted by Trade Minister Arifin Siregar who has just concluded a visit to Brussels.

The EC officials whom Siregar met in Brussels said that it will be much better if Indonesia can further develop its trade lobby although the county's products are already quite well-known following President Suharto's election as the chairman of the Non-Aligned Movement (NAM) for the coming three years period.

With a good lobby Indonesia will be able to maintain its trade relations with EC members as well as with the US which soon will be led by a new president, Siregar said, acknowledging that Indonesia's trade lobby is not as strong as that of Thailand, Malaysia and Japan.

According to the minister professional lobbyists can be put into two categories, those receiving regular salaries throughout a year, and those receiving payments only when they handle certain cases.

Indonesia usually uses those belonging to the second category, especially when it must face dumping policies, he said adding that some trade attaches in the Indonesian Embassies abroad cannot function properly, also because they have to face the problem of limited funds.

During his meetings with EC officials, it was revealed that Indonesia may face the problems of quota and increasing health as well as safety standard in boosting its exports. However, at the meetings he also asked about whether EC countries take into consideration the issues of human rights and environmental protection in making decisions on trade activities with Indonesia, Siregar said.

They said they do take the two things into their consideration when it comes to economic aid packages, but not efforts to increase imports, he said adding that Indonesia describes both human rights and environmental protection as non-economic considerations.

About quota, EC officials gave the example of manufactured imports from Indonesia which total 825,000 tons per year. If they import more, the problem lays mainly with the possibility that their own farmers will launch a stern protest, Siregar said.

According to Sireger in the near future several trade delegations will visit Indonesia among others from the People's Republic of China (PRC), Holland, and Hungary. To those from China, I can say that the Indonesian Government and businessmen expect them to stick to the 'normal procedure' in boosting their exports, the minister said.

He confirmed reports that since the normalization of the PRC- Indonesia diplomatic relations two years ago, exports from the PRC have increased drastically. He said he has no evidences as yet whether Chinese businessmen practice dumping policies in its trade with Indonesia. However, as soon as we receive reports from our businessmen about such a practise, we will raise the issue with the trade authorities in the PRC, the minister said.

Government Urged To End Control Over Press

BK2611135892 Jakarta THE JAKARTA POST in English 13 Nov 92 p 1

[Text] Jakarta (JP)—The United Development Party (PPP) and the Indonesian Democratic Party (PDI) factions in the MPR [People's Consultative Assembly] said the decree issued in 1984 was no longer relevant because Indonesia was promoting democracy characterized by the freedom of expression.

The government-backed Golkar [Functional Group] political organization, the Armed Forces (ABRI) and Regional Representatives made no mention of the decree in the debate. They all stressed that the domestic press should maintain its commitment to upholding the principles of a "free and responsible" press advocated by the government.

The MPR factions grouped in Ad Hoc Committee I were deliberating the draft of the Guidelines of State Policy on political matters for the coming five-year period. The Guidelines are to be adopted in March.

Spokesman for PPP, Muhamed Buang said the Information Ministry decree had effectively limited the freedom of the press and put newspapers under the constant threat of being shut down whenever the bureaucracy did not like the reports printed.

"The decree allows the government's closing down of a newspaper without giving the publication a chance to defend itself in court," Buang said.

He said the decree contradicted Law No. 11/1966 on the press which guarantees that the government shall not censor nor close down newspapers.

The PPP pointed out that the government's control over the press had hampered the development of newspapers. Citing an example Buang said, although Indonesia has about 300 newspaper publishing companies, circulation was inadequate and each newspaper is read by an average of only 40 people. "We want the MPR to drop the ministerial decree because it has long been daunting the press," PDI faction spokesman Sudaryanto said. "What should be developed are positive interactions between the press, the public and the government."

The PDI and the PPP proposed that the government promote publication of newspapers in the regions and move to prevent strong Jakarta publishers from taking over the ownership of financially weak local newspapers.

The parties and the Regional Representatives agreed that the government should ease the strict procedures for the procurement of newspaper publishing licenses to encourage local publications.

Golkar repeated its determination to maintain the current system used for the general election, rejecting demands by the PPP that political parties be allowed to set up branch offices in villages. To date they are only allowed to have branch offices at a regency level.

Golkar spokesman Zulharman Said argued that the political organizations' direct access to the districts and villages would only spark political conflicts at the grassroots level.

PPP has repeatedly said that the current "floating mass" political system deprived PPP and PDI of communication with their supporters in the villages. It says Golkar has no such problem because local officials are mostly affiliated with Golkar.

The ABRI faction spokesman, Khaerudin Harahap said the Armed Forces was not interested in changing the election system which, he said, had given the people political freedom.

Minister Ordered To Investigate Banking Rumors

BK0212061892 Jakarta ANTARA in English 0517 GMT 2 Dec 92

[Text] Jakarta, Dec 2 (OANA/ANTARA)—President Suharto has ordered Coordinating Minister for Political and Security Affairs Sudomo to investigate and solve once and for all the rumours on the banks being lacking in soundness, to preserve stability in the country.

After reporting to the head of state here on Tuesday on the security in the country, Sudomo said the Bank

Summa case has been followed by fresh rumours saying that some national private banks also lacked soundness.

He said after Bank Indonesia, the Central Bank, declared Bank Summa as having lost in its clearing activities, the rumours had it that a number of other banks were also faced with a similar plight.

Consequently, depositors at several banks in Jakarta and Medan had been retrieving their money from the private banks concerned.

He said the rumours had been launched amidst the sharp competition among the private banks or that certain parties were after political aims to disrupt security and economic stability in the country.

"There is no need for the public to be concerned over the condition of the existing private banks", Sudomo stressed.

In the meantime, when explaining the recent student brawls in Jakarta, Sudomo said five people were killed, 19 injured and 14 public buses were completely destroyed.

He said all these were caused by the fact that several schools are located too close to each other, and there were not enough buses to take them home all at the same time. The result was that the students became enraged, and a brawl broke out among them.

When asked about the ransacking of some places of prayers in East Java recently, Sudomo referred to a statement made by Armed Forces Commander General Try Sutrisno before parliament recently that people should avoid actions of pitting one religion against another and one ethnic group against another (called SARA practice in Indonesian language).

He reminded that any action towards SARA would only harm and damage national unity and integrity gained with so many sacrifices.

BI Suspends Bank Summa From Clearing House

BK2611095092 Jakarta THE JAKARTA POST in English 14 Nov 92 p 1

[Text] Jakarta (JP)—Bank Indonesia [BI] suspended Bank Summa and all its branches yesterday from clearing-house activities for an indefinite period of time for failure to settle its obligations.

"The bank's shareholders and management are being given the opportunity to seek ways of bail out and restore the bank to normal operations," Paul Sutopo, a spokesman for the Central Bank, announced yesterday.

When the announcement was made yesterday evening Bank Summa's directors and shareholders were still holding a meeting with Bank Indonesia's directors at the Central Bank.

Bank Summa, owned by the Suryajaya family, who also hold about 76 percent of PT [Company Limited] Astra International—the country's largest business group—has been mired in a severe liquidity crisis since late last year due to huge sums of bad loans to related companies. A private banker who insisted on anonymity told THE JAKARTA POST yesterday that a major foundation withdrew a large sum of deposits from Bank Summa yesterday.

"The substantial withdrawal was somehow leaked to a number of people, thereby setting off a run on the bank," the banker said.

The latest financial reports issued by Bank Summa put its total assets at Rp [rupiah] 2 trillion (US$977 million) as of last December. Various estimates put its doubtful and bad credits at between Rp 800 billion and Rp 1 trillion.

In a related development, the Suryajaya family sold 40 million Astra shares, or about 22 percent of its total share holding, at a total value of a little over Rp 400 billion (US$195.6 million) on the Jakarta Stock Exchange yesterday in an apparently desperate effort to help deal with Bank Summa's financial fiasco.

The Suryajaya family has repeatedly vowed to settle all of Bank Summa's obligations, even at the risk of losing its control of the Astra group.

Some brokers here said 20 million Astra shares were sold to a foreign company, but none of them could identify the buyer. The current visit here of Shoichiro Toyoda, Chairman of Toyota Motor Corporation, as a member of the Keidanren [Federation of Japanese Economic Organizations] business delegation, led to strong speculation that the Japanese car company was the buyer. The firm has reportedly denied this.

Previous reports said the Suryajaya family was in the process of negotiating share sales to Toyota Motor and a Singapore company.

But none of the brokers contacted yesterday could disclose who the buyer of the other 20 million Astra shares was. They were sold through an internal crossing move by a state-owned broker.

Kwik Kian Gie, a noted business analyst, questioned the action. He said he was not sure whether the Suryajaya family could sell so many shares to other parties without previously offering them to existing shareholders.

"Astra International is a public company (listed on the Jakarta Stock Exchange) and the Suryajaya family probably should not simply transfer such a large block of shares in that way," Kwik said.

Paul Sutopo explained that several other private national banks have committed themselves to helping settle part of Bank Summa's liabilities notably those to small depositors.

"Therefore, there is no reason to panic," he pointed out, adding that the shareholders, the Suryajaya family, have also vowed to settle all liabilities of the bank.

Other informed sources said Panin Bank, which has been assisting the restructuring of Bank Summa over the last few months, was one of the private banks committed to helping the ailing bank

Laos

DPRK, Indonesia, Australia, Burma Delegations Leave

BK0112033692 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Dec 92

[Text] On 29 and 30 November, most party and state delegations and representatives of governments of various friendly countries left for homes after attending the funeral ceremony of President Kaysone Phomvihan. They included the DPRK delegation led by Vice President Yi Chong-ok; the Indonesian delegation led by Sudomo, minister for political and security liaison and adviser to President Suharto; the Australian delegation led by Ms. Wendy Fatin, minister to the Prime Minister's Office and minister for arts and territories, representing the governor general; and the delegation of the Myanmar Government led by U Ohn Gyaw, minister of foreign affairs.

During their stay in the Lao People's Democratic Republic, in addition to laying wreaths to mournfully pay homage to the remains and attending the funeral ceremony of President Kaysone Phomvihan, the said delegations called on many supreme Lao leaders.

Party, State Leaders Mark National Day

BK0212134192 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 2 Dec 92

[Text] At the 17th anniversary celebration of the 2 December National Day of the Lao People's Democratic Republic on the evening of 1 December, representatives of the Lao party, state, mass organizations, and the National Defense Ministry, alternately laid wreaths at the monument of unknown soldiers to commemorate the good deeds and contribution of cadres and soldiers who sacrified their lives for the country and the revolution.

Present at the wreath-laying were comrades in the Political Bureau and a number of prominent figures from the government and the National Defense Ministry, including Phoun Sipaseut, Maichantan Sengmani, Oudom Khatthi-gna, Choummali Sai-gnason, and Khamphoui Keoboualapha.

Editorial Marks 17th National Day

BK0212100392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Dec 92

[PASASON editorial: "Promote and Expand 2 December Spirit and Turn Sentiments of Grievous Mourning for President Kaysone Phomvihan Into Encouragement To Push Forward Restructuring Cause"—dated 2 December]

[Text] Today marks the 17th anniversary of the establishment of the Lao People's Democratic Republic [LPDR]. On this significant occasion, our multi-ethnic Lao people throughout the country are elated at the historic day of our nation and at the achievements we have won in the cause of defending and building our country. Our multi-ethnic Lao people are also enjoying the new, better life under our party's restructuring policy. However, we are now grieved over the demise of Comrade President Kaysone Phomvihan, our most beloved and respected leader.

The past 17 years of the founding, growth, and strengthening of our LPDR have been full of difficulties. But it was a period filled with the strong determination and lofty solidarity of our Lao nation under the talented and clear-sighted leadership of the Lao People's Revolutionary Party [LPRP]. This is why our people have won great and firm achievements in many fields in the cause of defending and building the country, both in the initial stage and the later stage of the implementation of the new, restructuring policy over the past five to six years. First and foremost, we have successfully realized the national economic structure throughout society with agriculture and forestry as the basic theme and industry and service as a significant point. We successfully achieved the production target of 1.2 million metric tons of paddy in 1991. We have also set the target of 1.7 million metric tons of rice production for 1992 or as many as three times more than that of 1975. The export value of livestock has increased to as much as $15 million while the acreage for dry-season rice farming has now increased to 15,000 hectares.

In the forestry field, following the implementation of the order banning log poaching over the past year or so, the forests and natural environment have been preserved ever more effectively. At the same time, the allocation and management of forests have also been carried out effectively. In our country's electrical power industry, at present, the amount of electricity produced, both for business and home consumption, has increased to more than 200 megawatts. In the communications field, of all 13,971 km of roads throughout the country, 23 percent of that are new roads and 24 percent of the total have been paved with asphalt; the construction of large bridges, such as the bridges across the Ngum, Kading, and Sedon rivers, has been completed; and three large wharves, namely the Keng Kabao wharf, the 4 km wharf in Vientiane, and the Pak Khon wharf, have been built. Transportation work has also been expanded by ten times while the postal service has been expanded by four times as compared to that in 1975. Taxation work, which is considered to be the major source of revenue for the state budget, has also been improved in many respects. It has been carried out in a generally effective manner. In 1992 alone, this branch of work gathered as much as 68 to 69 percent of the total revenue for the state budget.

Following the implementation of our party's policy of expanding economic relations with foreign countries, in recent years, a large number of foreign investors have undertaken business investments in our country. As of June this year, nearly 245 foreign investment projects, worth a total of U.S.$393 million, have been instituted in various townships throughout our country. Along with the business investments, tourism has also been rapidly expanded. At present, as many as 120,000 foreign tourists see our country annually, on average.

With our party-adopted economic policy which conforms to the practical conditions and the specific points of the country and people, the national economic structure, together with the massive strength of the people who are still in the initial period of switching from the agrarian and semi-agrarian economy into a market-oriented economy, have served as the backbone for the national economy to guarantee the stability of the value of the kip currency. The rate of inflation has lowered. In the past, the inflation rate was 60 percent. Now, however, it has been reduced to the low level of 12 percent. In the past few years, the national per capita income has risen by more than 40 percent. As a result, the living conditions of the multi-ethnic people have definitely improved. The amount of national capital to serve the construction of national economic establishments has also increased every year.

Educational, cultural, and social work has also been simultaneously consolidated and expanded. In previous years, national defense and public security work has been increasingly improved. The entire people of all tribes have united as one and together implemented the two strategic tasks to safeguard independence and sovereignty and maintain tranquillity and social order, thereby maintaining our country's ever firmer political stability and security.

Another significant political success is the enforcement of the first Constitution of the Lao People's Democratic Republic [LPDR] along with nearly 20 laws. This is a symbol of our country's political stability. At present, specific preparations have been profoundly and thoroughly made for the election of the third National Assembly—a legislative organ and an means of controlling the implementation of the Constitution and the various laws in order to guarantee genuine popular democracy. The election is scheduled for 20 December this year.

Regarding our party's foreign policy, over the past 17 years, under the talented and clear-sighted leadership of the party, it has been fruitfully implemented. Noteworthy is that in 1992, a delegation of our LPDR Government attended, as observers, the ASEAN conference in the Philippines. At the conference, our Lao delegation asked that Laos become a member of ASEAN, and the association has accepted the request and has studied it in a favorable manner. Our country also positively contributed to the Nonaligned Movement in Jakarta, Indonesia. These are considered fruitful achievements and victories won by our entire party and people through carrying out creative activities and engaging in labor in a lofty spirit of sacrifice.

These achievements and victories are no coincidence. In fact, they are the results of the unique solidarity of the fraternal people of various tribes who have remained closely related to the nation and the revolution, rallied in the sole national family, resolutely followed the party's direction, overcome all trials, checked all sabotage schemes of various hostile powers, and competed in engaging in labor to improve their living conditions and to build a strong and secure country. The said achievements are considered common ones—achievements scored through the efforts and energies of farmers, workers, students, intellectuals, traders, and all Lao people, both at home and abroad, as well as by aliens residing in our country. Everyone has marched toward the same goal, that is to say: Everything is for the welfare of the people and for the strength of the country.

Actually, today is a day on which our entire Lao party and people should express profound joy and pleasure in celebrating the great, historic day and hailing the achievements they have won in the past year in particular and over the past 17 years in general. On this occasion this year, however, we cannot enjoy ourselves because we have just lost our beloved and respected leader, namely President Kaysone Phomvihan, who has left us forever. Kaysone Phomvihan was a great patriot who was profoundly loyal to the revolutionary ideals and interests of the multiethnic people. He, together with other leaders, made a very significant contribution to leading the protracted struggle full of lofty sacrifice until the historic victories—liberating the country from colonization, saving the country from the war disasters, and establishing the LPDR on 2 December 1975. With his wit and wisdom, Kaysone Phomvihan initiated a new, restructuring concept and guided the implementation of the new change, thereby leading our Lao nation to advance in a satisfactory and pleasant manner.

Amid the mournful grief and sorrow over the demise of President Kaysone Phomvihan, on the occasion of the 17th anniversary of the LPDR today, let all our cadres and multi-ethnic people throughout the country turn their grief and sorrow into revolutionary action and be determined to firmly and consistently follow the examples and teachings of President Kaysone Phomvihan. Let all of us maintain firm consciousness, heighten revolutionary endurance and trust in the party's leadership with the party Central Committee and Political Bureau as core, and be determined to continue to thoroughly pursue the comprehensive restructuring line of the party as initiated and guided by President Kaysone Phomvihan.

The traditional 2 December spirit has always flourished and encouraged our spirit of revolutionary enthusiasm. Our pride over our achievements and victories, together with our affection toward President Kaysone Phomvihan who has left us forever, have encouraged us to further endeavor to march forward to implement and translate into reality the restructuring policy in accordance with the guideline set forth by our party's fifth congress. In the immediate future, let our entire party and people implement the plan and policy of the party Central Committee and state on the election of the third National Assembly, which is considered a campaign to consolidate the efficiency of our country's political system. Let our fraternal people throughout the country turn the spirit of the 17th anniversary of the LPDR this year into a spirit of revolutionary enthusiasm and march toward the election of the third National Assembly and wholeheartedly contribute to achieving full success in the election by executing their democratic rights. At the same time, they are requested to positively harvest the main rice crops in a timely manner, strive to fulfill the annual plan, attend to crop cultivation and livestock breeding during the dry season, step up national defense and public security work, and build a firm basis for ever greater success in the implementation of the plan for 1993.

Reforms Seen Improving Investment Climate

BK0212061992 Bangkok THE NATION in English 2 Dec 92 p B4

[Article by Bangkok Bank Research Department: "Examining Business Opportunities in Laos"]

[Text] Since the implementation of the New Economic Management policy in 1986, many changes have taken place in Laos.

The policy aims at relaxing central controls and allowing an increased role for market mechanisms in economic activities. State enterprises have been given greater freedom in management. This has provided greater incentives to them to improve their efficiency in production, thus enhancing their profits.

Private individuals may now freely undertake business activities. They are allowed to set wages for their employees, and fix prices of their products. The foreign exchange rate system has been changed from a multiple to a single one, and the exchange rates themselves now fluctuate in line with market forces. As a result, investment and international trade have expanded rapidly. The Laos of today has changed considerably from the Laos of the past.

The New Economic Management policy has helped to stimulate the economy of Laos. According to the ADB [Asian Development Bank], the average GDP growth rate in Laos was 3.2 per cent per annum, between 1984 and 1987 rising to an average of 6.5 per cent per annum during 1987-1990. Meanwhile the expansion rate of the manufacturing sector jumped sharply from 2.2 per cent to 13.6 per cent.

During 1990, the Laotian economy expanded at a rate of 9.1 per cent. The sector breakdown is as follows—6.3 per cent in agriculture, 19.2 per cent in manufacturing, and 8.8 per cent in services. The inflation rate dropped from 68.1 per cent in 1989 to only 18.6 per cent in 1990.

In foreign trade, exports increased by 15 per cent to US$62.7 million, and imports by 10.4 per cent to US$185.1 million. The trade deficit for the year totalled US$122.4 million.

Laos' most important crop is paddy. Its total area under the crop in 1991 was about 0.56 million hectares, a decline of 12.5 per cent from previous year. Total paddy output was about 1.2 million tonnes, a decline of 20 per cent from the preceding season.

Other important crops include maize, sweet potatoes, vegetables, tobacco, sugarcane and coffee. Production of coffee beans has been rising steadily, with the 1991 output aggregating 8,017 tonnes, some 54 per cent higher than in the previous year. This brought about the government's coffee export promotion policy. Principal coffee cultivating provinces are Champassak, Salavane and Sekhong, which are in the south of the country. The three account for 97.9 per cent of the country's total coffee output .

The most important industrial commodity of Laos is electrical power, of which Laos has an excess supply. This is exported to Thailand, earning for Laos one of the largest slices of foreign exchange. Electricity production totalled 844 million kilowatt- hours in 1990, and 828 KWHs in 1991. Important manufacturing industries include wood processing, textiles and garments, soap, detergents, liquors, beer and soft drinks.

Since the launch of the New Economic Management policy and active investment promotion, new private industrial factories have mushroomed. Projects given promotion by the Lao Government numbered 225 from September 1988 to June 1992, involving a total investment of US$392.5 million. Of these, 48 were ventures with investment of less than US$100,000, 97 ventures with investment of between US$100,000 and US$499,000; and 80 ventures with investment upward of US$499,000. Topping the list of promoted enterprises were textile and garment factories, numbering 39, followed by wood processing factories (19), agri-businesses (13) and other manufacturing ventures (48). Apart from these, the list of promoted ventures included another 42 export-import concerns, 22 hotels and tourist-related firms and 15 consultancy firms.

By nationality, Thais topped the list of investors in promoted projects, with 93 ventures, and a total invest of US$138 million. Those of other nationalities included 18 French, 14 Taiwanese, and 13 US ventures.

Besides adopting the New Economic Management policy, Laos has attempted to strengthen investor confidence by enacting a number of laws. These include laws on foreign investment promotion (1989), ownership (1990), contractual obligation (1990), inheritance (1990) crime (1990) civil procedures (1991), labour (1991). It is also noteworthy that Laos promulgated a new constitution on Aug 14, 1991.

Factors that have combined to attract considerable foreign investment are the laying of a legal foundation, as noted above; the improved general conditions of the country; and the friendliness of the Laotian people. However since Laos has just opened itself to foreign investors and has witnessed the ill effects of opening the door too widely too rapidly, particularly in terms of environmental degradation, it has been cautious in conducting its foreign policy and in accepting foreign investments. This stance has tended to obstruct the growth in foreign investment. Apart from this, Laos lacks skilled labour and technical personnel, and has a small domestic market as it is thinly populated.

In line with the New Economic Management policy, the government has lifted controls by the central authorities on domestic and foreign trade. Entrepreneurs have been allowed to undertake business activities and to fix prices freely. The move has facilitated business dealings and has encouraged more private businesses, because they do not have to surrender all their profits to the state as was the case in the past.

Statistics of the Ministry of Commerce and Tourism reveal that retail shops in Laos increased rapidly to 21,600 in 1991. Of these, 21,000 were private stores. In comparison, in the previous year there were a total of 15,000 shops, of which 14,100 were private. Thus the number of state-owned shops and collective shops dropped from 900 in 1990 to only 600 in 1991. Retail trade in 1991 was worth about Kip563 billion, an increase of 37.7 per cent over the previous year.

Retail prices and food prices in Laos were found to be higher than those in Thailand. Food prices, especially, are about twice the level in Thailand. This is because most of the commodities have to be imported from Thailand, with the remainder being supplied by Vietnam, Russia, and other sources. However, prices have been more stable in recent years.

Main exports of Laos include wood products, and electricity to Thailand. These two items together accounted for about 30 per cent of the total national export earnings in 1990. Sale of electricity to Thailand in 1991 totalled about 662 million kilowatt-hours. It is expected that this electric power export will continue to increase, as the country is about to launch several more hydroelectric power projects. This being the case, the northeastern region of Thailand will be able to obtain electrical power from Laos at a cheaper rate than from sources within the country.

Other exports from Laos are mineral products and coffee, the latter's importance having increased substantially in recent years, thanks to a growing output.

Main imports to Laos include rice, sugar, bicycles, textiles, and miscellaneous utensils. Some import items, such as automobiles, motorcycles, cement, steel rods and petroleum are restricted in terms of volume.

In 1991, Laotian businessmen set up the Lao National Chamber of Commerce and Industry. The chamber has developed cordial relationships with Thai businessmen, through the Board of Trade of Thailand. The two boards have entered into an agreement of mutual assistance.

In the past, Laos exercised stringent control on financial businesses, with the State Bank functioning as both the central bank and a commercial bank having branches in all provinces. However, the role of the State Bank has been streamlined. In a Decree of the Council of Ministers on March 12, 1988, regarding the changing of the banking system, branches of the State Bank were transformed into commercial banks, operating independently of the State Bank. They do not now receive government subsidy and have to be fully responsible for their operations while rendering 60 per cent of their profit to the government.

As a result of the decree, branches of the State Bank were transformed into commercial banks and renamed, the Lane Xang Bank, the Lao Mai Bank and the Pak Tai Bank with headquarters in Luang Prabang, Savannakhet, and Champassak respectively with branches spreading out in various provinces. The State Bank's branches in Houa Phanh and Xieng Khouang were renamed the Aloon Mai Bank in early 1992.

Apart from transforming branches of the State Bank into commercial banks, action was also taken to streamline functions of the State Bank into that of a real central bank by promulgating a law on the establishment of the State Bunk of the Lao PDR on July 27, 1990. Later on Jan 23, 1992, the Commercial Bank and Financial Institutions Act was enacted. The main contents of the laws are similar to those of Thailand.

Approved Foreign Investment, by Industrial Sector (September 1988-June 1992)

Sector	No.	Million US$
Agribusiness	13	29.4
Textiles and garments	39	26.7
Wood processing industries	19	19.9
Other manufacturing	48	39.9
Mining	12	64.2
Import-export	42	20.1

Approved Foreign Investment, by Industrial Sector (September 1988-June 1992) (Continued)

Sector	No.	Million US$
Hotels, tourism, restaurants	22	106.3
Banking and insurance	3	11.0
Consulting firms	15	0.8
Construction	4	12.8
Transportation	7	60.9
Communication	1	0.5
Total	225	392.5

Alms Offering Held for Late President

BK0112153992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 1 Dec 92

[Text] This morning at the National Assembly in Vientiane, the merit-making and alms offering to Buddhist monks was held in commemoration of late President Kaysone Phomvihan, three days after the national-level funeral took place on 28 November.

Participating in the religious ceremony were monks of various strata; Nouhak Phoumsavan, member of the party Central Committee Political Bureau and president of Laos; Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee and prime minister of the Lao People's Democratic Republic; Thongsing Thammavong, acting chairman of the Supreme People's Assembly [SPA]; deputy prime ministers; ministers and deputy ministers; members of the SPA; members of the Lao Front for National Construction Central Committee; intellectuals and residents of Vientiane Municipality; family members and relatives of late President Kaysone Phomvihan; and a large number of Buddhists in the capital city of Vientiane.

The religious ceremony aimed at conveying blessings to the soul of the late president this morning included worshipping and listenting to monks' prayers and offering necessary utensils to 30 monks.

The ashes of the late president were put in a two-kilogram silver urn inlaid with gold weighing nine baht, or 141.3 grams. The urn was presented by Maha Vichit Singhalat, chairman of the Lao Unified Buddhist Organization. The urn was made from money donated by monks and novices throughout the country as a gesture of expressing profound gratitude to the late president who greatly contributed to the country, religion, and all Lao people.

Philippines

Police Say Kidnapped American Seen Alive

HK0212105892 Hong Kong AFP in English 1034 GMT 2 Dec 92

[Text] Zamboanga, Philippines, Dec 2 (AFP)—An American missionary kidnapped in October by Moslem separatist guerrillas was seen alive but sickly looking by Philippine military intelligence agents, a police spokesman said in this southern city Wednesday.

Augustine Frazczak was spotted outside the remote village of Tipo-Tipo in the nearby island of Basilan on Wednesday, riding on a water buffalo and being guarded by armed men as he was transfered to another hiding place, Superintendent Indo Ho said.

The American, who was kidnapped appeared "haggard and sickly-looking," but military intelligence agents did not attempt to rescue him because they feared he might be hurt in the attempt.

Frazczak, a lay brother of the Franciscan order, was kidnaped October 21 by guerrillas of the Moro National Liberation Front (MNLF) who are demanding five million pesos (200,000 dollars) for his release.

Taiwanese Group Lauded for Investing in Subic

HK0212031692 Manila MANILA BULLETIN in English 2 Dec 92 p 1

[Text] Vice President and Presidential Anticrime Commission (PACC) Chairman Joseph "Erap" Estrada lauded yesterday Chinese investors who are going to develop a 300-hectare property in Subic Bay.

The area was allotted by the Subic Bay Metropolitan Authority (SBMA) for development by the Taiwanese government.

During a courtesy call, Ching-Peng Shen, vice chairman and executive vice president of Taiwan's Ret-Ser Engineering Agency (RSEA), informed Estrada that his firm, one of the world's top construction and engineering companies, is set to sign a joint-venture agreement with Titan Ikeda Construction and Development Corp. for the development of the 300-hectare Subic Bay property in Olongapo City.

Titan Group of Companies Chairman Benito L. Yao, who accompanied the Chinese visitors to the office of Estrada, said that Ret-Ser's decision to invest in the Philippines came about as a result of the assurance by President Ramos to foreign investors that the national government will give them full protection to ensure their safe stay in the country.

Yao and the Chinese investors informed Estrada that President Ramos cited his accomplishments as PACC chairman and as well as those of the other law-enforcement agencies in the efforts to bring down the level of criminality.

Shen told Estrada that the 300-hectare property in Subic Bay will be developed into an industrial park. Sinotech Engineering Co. Inc., a Taiwanese architectural and engineering firm, was hired by the Taiwanese government to design the project.

Shen informed Estrada that Ret-Ser and Titan are setting up a plant in Carmona, Cavite to produce pre-case concrete panels for low-cost housing.

Shen also said that his firm has conferred with officials of the EDSA LRT [Epifanio delos Santos Avenue Light Railway Transit] Consortium Inc. on the possibility that Ret-Ser provide construction services and financial assistance to the Baclaran-Monumento LRT project.

The project was awarded to the consortium by the Philippine government under the build-operate-transfer (BOT) scheme.

Ramos Call To Review Defense Treaty Criticized

HK0112113892 Manila BUSINESS WORLD in English 1 Dec 92 p 16

[Editorial: "Talking to the Wind"]

[Text] President Ramos couldn't have chosen a worse time to call for a review and revision of the Philippine-U.S. Mutual Defense Treaty (MDT) than now. Because nobody out there in Washington is listening. They're all very busy working on the transition from a Republican to a Democratic presidency and administration.

The Republicans are busy packing, concluding their leases, shredding their papers. The Democrats are looking at houses and apartments, praying they'll get the jobs they really want, checking out appropriate schools for their children, wondering who their neighbors will be. And telling everybody what a terrible sacrifice in income and life-style they're making just to lend their invaluable services to the people and government of the United States.

Amid all this changing of the guard, there's just no one in Washington, from President-elect William Clinton down to the doorman at the State Department, who can spare a minute or two for the problems and concerns of the Philippine government, "Philippines? Aren't they the bastards who threw us out of our bases?" One who might have been helpful is Rep. Stephen Solarz, the Marquis De Lafayette of the Philippine revolutionary whatever. But he lost in his bid for reelection and is also busy scanning the classified ads looking for a job in the new dispensation.

Why President Ramos, amid all this chaos and tumult, chose to raise the question of reviewing the MDT at this time defies comprehension. Does he think that, because he is a West Point graduate, the Clinton administration will give him preferential treatment? Perish the thought; this is a snare and a delusion.

Of course it will be friendlier to him than it would have been to, for example, Miriam Defensor-Santiago or Eduardo (Danding) Cojuangco, neither of whom went to West Point. But if he thinks it will do cart-wheels and hold up traffic to push him ahead of the line just because he is a West Pointer then he is being dangerously naive. Iba na any may pinagsamahan [It's different if you have a relationship]? Not to the Americans; look what they did to Ferdinand E. Marcos.

If somebody were to tell Mr. Clinton right now that the president of the Philippines was urging a revision of the Mutual Defense Treaty with the United States he would probably ask, "What the f. are you talking about?" [sentence as published] He wouldn't have the slightest idea. Any minimally competent foreign affairs adviser could have told President Ramos not to raise the issue at this time because he would be talking to the wind. But he did, at the ceremonies marking the final turnover of Subic naval base to the Philippine government. And the best response he could elecit from the U.S. government was a patronizing statement from its embassy in Manila saying it would "study" the matter.

Mr. Ramos wants the Americans to agree to changes in the MDT that would bind them to "automatic retaliation" in aid of the Philippines in case this country gets involved in a shooting war. Right now the best the treaty offers is that they will respond in accordance with their constitutional processes. This is an old chestnut, of course, that Claro M. Recto used to toss in the air to annoy President Magasaysay and the Americans. It never made any progress during Magasaysay's time; it has not made any progress up to this time; and it will not make any progress hanggang pumuti ang uwak. [until the crows turn white]

There's no way, assuming the Clinton administration will ever find the time to attend to it (which may be in three year's time at the earliest), that the Americans will ever alter or amend the MDT with the Philippines. We'll have to live with it as it is or abrogate it, and they don't care one way or the other which way we decide. Especially now that the conflicting claims on the Spratly islands may drag the Philippines into a shooting war (we'll fire five shots and then be overpowered), they have even less reason to fool around with enlarging their commitments.

So we're stuck with the MDT as it is and President Ramos looked pathetic urging a re-examination and possible revision. Pathetic and amateurish.

Government Gets $140 Million in Fresh Loans

HK0212034692 Manila MANILA BULLETIN in English 2 Dec 92 p b-1

[Report by Fil C. Sionil]

[Excerpt] The Philippine government has obtained $140 million in fresh loans from foreign commercial bank creditors which participated in the $3.21-billion Brady bonds flotation.

The Department of Finance disclosed yesterday that under the Brady bonds float closed yesterday in London, some of the country's creditor banks offered new money loan amounting to $140 million in exchange of some

$558 million in old Philippine debt instruments for longer maturity-high yielding new money bonds. [sentence as published]

The new money bonds, one of three tagged as Brady bonds to be issued by the commercial bank creditors, account for 17.38 percent of the $3.21 billion eligible old Philippine debts tendered.

On the other hand, the principal collateralized interest reduction (PCIR) bonds, total subscription amounted to $1.894 billion, represents some 59 percent of the aggregate offering.

Under this system, participating banks may elect to exchange existing Philippine IOUs [loans] for new bonds that will mature in 25 years and will carry a 4.25 percent interest coupon for the first year accelerating in the succeeding years up to 6.50 percent starting on year six until the maturity period of 25 years. [passage omitted]

Government Asset Sales Exceed Annual Target

HK0112130492 Manila PHILIPPINE DAILY INQUIRER in English 1 Dec 92 p 17

[Report by Corrie S. Narisma]

[Excerpt] Sales of the Asset Privatization Trust (APT) reached P2.4 billion [pesos] during the first nine months of 1992, surpassing the P925-million target set for the whole year.

The nine-month performance brought to P31.12 billion the total sales of the APT since it started the privatization program in 1987.

Out of the 446 accounts transferred or assigned to the APT by the Development Bank of the Philippines, the Philippine National Bank, the National Development Co., the Philippine Export and Foreign Loan Guarantee Corp., and the other government-owned and controlled corporations, 274 have already been fully or partially privatized.

This left the APT with 172 more assets to sell up to December next year. About 60 of the remaining accounts are physical assets, 87 are in financial form, and 25 are in the form of government equity investments.

Financial assets are loans and other forms of government receivables which are mostly disposed of through the direct debt buyout (DDBO) to the original debtors.

Maricalum Mining Corpo was the biggest asset sold during the first nine months of 1992. It was sold to G Holdings Inc. for P673 million. [passage omitted]

Balance of Payments Deficit Posted for 8 Months

HK0212033092 Manila MANILA BULLETIN in English 2 Dec 92 p B-1

[Text] The balance of payments (BOP) posted a deficit of $94 million in the first eight months of 1992, a complete reversal of the $666-million surplus last year.

Official statistics released yesterday by Central Bank [CB] showed that the overall January-August BOP gap could have widened to a whopping $1.058 billion this year if the Philippine government had not been able to restructure agreements on some of its loans.

Some $964 million in medium and long term loans were restructured during the first eight months of the year of which 56.7 percent were owed to Paris Club with the remaining amount owed to foreign commercial bank creditors.

In August, the overall BOP deficit hit $88 million, narrower by 36.23 percent than the $138 million last year.

According to CB, the huge BOP deficit could be blamed to a slackening in the performance of its non-monetary capital account, under which the foreign investments and long-term loans were classified.

The non-monetary capital accounts, the CB data, indicated a decline of 88.02 percent to $142 million for the months in review from a high of $1.85 billion in 1991.

Also attributing to the poor performance of the non-monetary capital account was the lethargic performance of the medium- and long-term availments.

Total long-term loan inflows amounted to only $98 million, some 26.32 percent decline from $133 million which came in 1991, while the total outflows representing foreign debt payments amounted to $210 million, a hefty 76.47 percent jump from $119 payments in the same period last year.

Net foreign investments strengthened by 35.7 percent to $673 million on account of the substantial improvement in inflows of portfolio investments.

Communist Spokesman Calls for Unity

HK0212123592 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Dec 92

[Text] Satur Ocampo, former National Democratic Front [NDF] strong man, said the government and the communist movement should set aside their differences so that the country's nagging insurgency problem may be resolved.

Ocampo, during a press conference, said the Communist Party of the Philippines-New People's Army-NDF will be changing its strategy from an armed struggle to a legal and parliamentary form of struggle to achieve a negotiated political settlement to the 23-year communist insurgency problem.

He lauded the efforts of the Ramos administration's National Unification Commission in allowing different sectors to air their opinions on how peace could be achieved in the country. He added that if an agreement is reached on the national level, separate talks on human rights, international humanitarian law, socio-economic reforms, and political and constitutional reforms may begin.

To avoid any breakdown in the talks, Ocampo said, a mediator, acceptable to both the government and NDF, should be appointed to ensure the smooth flow of the negotiations.

Renegade Officers Said Willing To Hold Talks

HK0212041892 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 1 Dec 92

[Text] Military rebel officers have already expressed willingness to hold formal talks with the government. Brigadier General Edgardo Abenina said the decision to hold formal talks with the government was made by the Revolutionary Nationalist Alliance executive committee. The committee is led by Commodore Domingo Calajate, former Armed Forces of the Philippines Logistics Command chief.

Abenina also said in the next three weeks there will be preliminary talks in order to make the peace process agenda final. The formal negotiations are expected to start next year.

Abenina and six other detained military rebel leaders were granted safe conduct passes by the government in order to give them a chance to meet with other rightist rebel leaders regarding the government's peace proposals.

Thailand

Ministries' Plans Could End Treaty Privileges

BK3011011792 Bangkok BANGKOK POST in English 30 Nov 92 p 21

[Text] The Commerce and Foreign Ministries still want to amend the 1966 Thai-US Amity Treaty and could soon submit proposals that would end privileges granted to US citizens and companies, an informed source says.

The Commerce Ministry source, who asked not to be named, said the Foreign Ministry recently decided to propose amended clauses in the treaty that grant Americans rights withheld from citizens and companies of other countries. These rights include granting Americans the same treatment as Thais to engage in some professions and to operate wholly-owned companies in some service industries.

The Commerce Ministry originally proposed amending the treaty during the Anan Panyarachun governments but nothing came of the proposal because Mr Anan was not in office long enough, the source said.

Under the Chuan government the two ministries still believe that the treaty should be scrapped or amended, the source said.

Thailand is under pressure from the European Community and Japan, among other countries, to extend to them the privileges granted to the United States under the treaty.

This pressure could turn into a legal obligation if a proposed General Agreement on Trade in Services is signed by participants in the 108-nation Uruguay Round of world trade talks. Thailand could then be required to allow all its trading partners the same rights in services trade.

Thai officials have therefore proposed scrapping or amending the treaty in a way that would no longer discriminate between the United States and other countries, while at the same time minimising damage to Thai-US trade and investment.

Scrapping the treaty could affect Thai-US diplomatic relations, but the impact would not be great, the Thai source said.

US officials have argued that imposing restrictions on Americans' rights to do business in Thailand would make Thailand less attractive for US investors. They have also pointed out that Thais enjoy greater freedom to own US companies and property than Americans do in Thailand.

The Thai source argued that the Amity Treaty has had little impact on US investment in Thailand, which already lags way behind Japanese investment.

Between November 1972 and August 1992, Americans only invested 3.25 billion baht in companies in Thailand under the Amity Treaty, according to official Thai figures. Much more—25.02 billion baht—was invested by Americans receiving special permission under the Aliens Business Law that is available to all foreign companies and citizens.

The source also argued that even with the privileges granted Americans under the Amity Treaty, Thailand has not been able to escape pressure from Washington to further liberalise services through Section 301 of US trade law.

The 1966 Treaty of Amity and Economic Relations exempts Americans and American companies from many of the restrictions of the Alien Business Law, National Executive Council announcement No 281 which came into force in 1972.

Americans and American-owned companies are only prohibited from owning land and also engaging in:

Inland communications;
Inland transport-
Fiduciary functions
Banking involving depository functions;
Domestic trade in indigenous agricultural products; and
Exploiting land or other natural resources: Other nationals are restricted in a wide range of other activities including agriculture, real estate trade, accounting, advertising architecture, agency or brokerage, auctioneering, hairdressing, beauty treatment, law, building construction.

Some of these activities are banned outright to foreigners while others are open to foreigners by special permission—sometimes in return for commitments on capital investment or ownership divestiture—or through Board of Investment promotion.

The United States is the only country that receives these privileges.

Washington does impose some restrictions against foreigners for example foreigners are allowed a maximum of 25 percent ownership of inland water transport activities, a tougher restriction than Thailand's. But in general US restrictions against foreigners are more lenient than Thailand's.

The Thai source argued that although US laws are more lenient, Thais have fewer opportunities to invest in the United States due to shortage of capital, skilled labour and advanced technology. Thai companies are unknown in the United States and therefore face greater difficulty selling, the source said.

Review of Relations With United Nations Urged

BK2611022692 Bangkok THE NATION in English 26 Nov 92 p A6

[By Kawi Chongkitthawon]

[Text] The adoption of Asean's Treaty of Amity and Cooperation in Southeast Asia by the United Nations Assembly next month shows the maturity of the 25-year-old organization and universality of its principles with regard to state relations.

However, Thailand's much publicized reservations and the confusing signals it has sent over the looming UN sanctions against the Khmer Rouge raises crucial questions over Bangkok's attitude towards the world body. It is often asked whether Thailand really has a security vision in the post-Cold War world or whether it is bogged down by out-dated paradigms.

The Treaty of Amity and Cooperation is the first Asean agreement to be included in a UN resolution. With the inclusion, the treaty will be accorded a universal context by the UN, to enhance the importance of Asean in maintaining peace and secunty in the region and the world.

At the January Asean Summit in Singapore, it was agreed upon that the treaty should seek UN recognition from the world body and during the July Asean foreign ministers meeting in Manila, the regional grouping successfully endorsed the treaty as a framework to settle maritime disputes in the South China Sea. In the declaration on the South China Sea, Asean stated that the treaty could serve as an international code of conduct for countries in the region in conflict resolution and confidence building measures.

The idea was part of the regional grouping's current efforts to win broader recognition from major powers. Both Thailand and Singapore support the major global powers in becoming signatories to the treaty and with their ascension, the two countries believe the security and neutrality of the region will be guaranteed.

But some Asean countries are opposed to such recommendations for fear of intervention from the external powers. These countries are of the view that the treaty as a whole should be a mechanism to prevent big powers from meddling with the region.

Leaving dissent aside from certain Asean countries, the inevitable fact is that the region's security is now coming under the aegis of the United Nations. With this in mind in terms of Asean' overall security, it is ironical that on the domestic level, Bangkok-based diplomats and the international communituy are questioning Thailand's commitment to the world body in its reluctance to comply in whole with UN sanctions against the Maoist Khmer Rouge.

The Khmer Rouge have refused to abide to the UN-brokered peace agreement that they signed last October together with the three other warring factions. Phase II of the UN peace plan calls for the disarmament and cantonment of all troops in Cambodia but the Khmer Rouge have refused to allow UN peacekeepers into their controlled areas.

The UN Security Council is expected to pass a resolution calling for full sanctions against the Maoist guerrillas in order to prod them back into the peace process.

In the past weeks, Thai leaders made several comments about their reluctance to comply in whole with the UN sanctions against the Khmer Rouge. The administration of Prime Minister Chuan Likphai yielding to constant pressure from elected politicians, who have vested interests in continuing trade with the Khmer Rouge, has shown the true colours of the country.

Like it or not, Thailand's cooperation with the United Nations Transitional Authority in Cambodia (Untac) on the eve of the soon-to-be-imposed sanctions would be a litmus test of the country's sincerity to the world body. Much has been said by Thai leaders with regard to Thailand being a member of the United Nations, but so far this has amounted to nothing, when the country is required to fulfill its membership obligations.

Dr. Athit Urairat, former foreign minister, said if Thailand is forced to comply with the UN resolution against the Khmer Rouge, Thai interests would be damaged. He told a radio news talks programme last weekend that Thailand should continue to seek a middle path with the UN to reduce the impact of sanctions.

In the same programme, Dr. Krasae Chanawong, chairman of the House Foreign Affairs Committee, said in his private capacity that Thailand might be forced to cooperate with the UN sanctions. If that was the case, he said ways have to be found to reduce the effect of the sanctions which will hurt Thai business interests.

The most disturbing comments however were made by Thai military leader and Foreign Minister Prasong Sunsiri. Two points were brought up. Firstly, Thailand is worried about its sovereignty and secondly, it would not allow Untac to station UN peacekeepers on Thai soil.

Such comments are indeed hostile and do not augur well in trying to promote the oneness of the UN spirit. One thing, Thailand should realize since its admission to the world body in 1946, that being a UN member implies the willingness at certain crucial times to compromise on one's sovereignty for the "common" endeavour of mankind or for collective actions to preserve peace and security in the world.

Furthermore, all these talks about refusal to allow the Untac forces to be re-deployed along the Thai-Cambodian border are unacceptable. Indeed, Thai leaders are trying to preordain either the success or failure of the UN sanctions.

It has taken Thailand a few weeks before it could really get its act together. After discussion with about sixty businessmen who traded with the Khmer Rouge and a fact-finding tour last weekend, the foreign minister has finally come to understand that Thailand is trying to reduce the impacts of the UN sanctions.

Being on the high tide of democracy and decency, the Chuan government must impose the UN sanctions to the best of its ability without any conditions or stipulations.

It is sad that Thailand, which has effectively used the UN system to safeguard its security interest when Vietnam invaded Cambodia, would show signs of hesitation. The prevailing attitude also goes against the trend in the new global political scene that will see UN peacekeeping forces playing an increasing role in world affairs.

In years to come, Thailand must develop closer ties with the UN in all aspects. Thailand is no longer a banana republic and the country has to uphold certain international standard of diplomacy. In weeks to come, Thailand must coordinate and cooperate with Untac in enforcing the UN blockade to ensure that the Khmer Rouge's intransigence carries a very heavy price.

Deputy Premier Affirms AFTA Commitment

BK2611030292 Bangkok THE NATION in English 26 Nov 92 p B1, B12

[By Thitinan Pongsudhirak]

[Text] With five weeks to go before the tariff reduction scheme of the Asean Free Trade Area [AFTA] is to be implemented, Deputy Prime Minister Suphachai Phanitchpak yesterday reaffirmed Thailand's commitment to press ahead with AFTA, despite a growing objection to regional trade liberalisation by Thai industries that will have to face stiffer competition.

Suphachai, addressing a Federation of Thai Industries-sponsored seminar on AFTA, said that Thailand's aggregate tariff is the highest among the six Asean members and that the 15-year tariff reduction programme is consistent with the Thai government's plan to slash tax on imports in the long run.

"We are going to cut these tariff anyway, regardless of AFTA," said the deputy prime minister, who is in charge of economic policy-making. "So we have to march forward with everybody else."

AFTA is an agreement among Asean members to encourage intra-Asean trade by multilaterally reducing that bloc's tariffs on all products except raw agriculture down to 0-5 per cent in 15 years, by way of the Common Effective Preferential Tariff regime with accelerated reduction for 15 product groups, including chemicals, pharmaceuticals, plastics, and electronics.

Suphachai noted that, while AFTA will make it tougher for a number of insulated Thai industries to confront regional competitors, the free trade area will bring about a "net" benefit to Thailand. In addition, the lowering of tariffs will boost intra-Asean trade and create a huge Asean market benefiting regional firms, he said.

"If some industries employ a lot of workers and use substantial local raw materials, they will be watched to see if they should get some form of protection initially," Suphachai said, adding that the implementation of AFTA on Jan 1 will not have adverse effects for Thailand's domestic market.

He mentioned that the chemical and palm oil industries will be hit hardest from increased competition, but the value-added industries like jewellery and rubber products stand to gain, while fertilizer and and cement should be able to compete on an equal footing.

While less tariff revenue will result from AFTA, Suphachai believes Thailand could streamline its domestic collection tax collection system to more than offset the loss of tariff income. Despite Suphachai's unequivocal position on Thailand's participation in AFTA, several thorns must still be removed from AFTA's side.

The deputy premier alluded to the rules of origin as the leading sticking point. The six member countries have yet to agree on how to measure the 40 per cent local content requirement—whether it should represent Asean input cumulatively or separately.

The exclusion list of products to be exempted has also posed a major problem, as Asean differs on how many and which items should be left out of the tariff reduction scheme. Non-tariff barriers such as inconsistent customs standards among Asean and dispute settlement mechanisms have yet to be resolved as well.

Suphachai said he will be working very closely with his Asean counterparts to dismantle AFTA's problems throughout the remaining weeks prior to January. "We don't want politics to prevent us from going through with this," he said. "Our economy and industry are good enough to enter AFTA."

Sukhon Kanchananai, director-general of the Business Economics Department of the Commerce Ministry, echoed Suphachai's support for AFTA, citing the need to protect Thailand's infant industry if necessary.

In addition, AFTA also received backing from Somchai Ruchuphan, the director-general of the Fiscal Policy Office who spoke in the same seminar. Somchai said the government has a crucial role to fulfill in preparing Thai businesses to deal with the realities of AFTA.

Prime Minister Chuan Pledges Rural Incentives

BK2711050392 Bangkok BANGKOK POST in English 27 Nov 92 p 21

[Text] Prime Minister Chuan Likphai says his Government will offer sufficient incentives to encourage investors to establish industries in the provinces.

Delivering the keynote address yesterday at a seminar entitled "The direction of the Thai economy in 1993", organised by Thammasat University's Economic Association, Mr Chuan said the incentives would be the most effective means of attracting businessmen to invest in rural areas.

"At present, there are a lot of obstructions and restrictions for investors to go investing in the provinces—transportation inconvenience, lack of safety for lives and assets and inadequacy of infrastructure," Mr Chuan said. These factors meant investors preferred to locate in Bangkok.

"If we want investors to move to the provinces, the Government must give them enough incentives. The Government does not want investors to make sacrifices, but to move because they believe that it will be beneficial for them," he said.

He said the Government would not only provide sufficient infrastructure and improve the level of safety, but the Finance Ministry was also considering providing tax incentives.

The main highways in all regions would be expanded to four-lane roads, involving the construction of about 1,890 kilometres of roads at a cost of not less than 50,000 million baht.

The distribution of industries and investment to the provinces was essential for creating jobs for people in rural areas. Job creation would be the most effective measure for reducing income disparity.

"In the past, the income of farmers was about 6-9 times lower than people in the industrial sector, but now the gap is 12 times. This means farmers are getting poorer (as a result of) development," he said.

The Premier said the Government would provide other facilities for people in rural areas. "Besides boosting their income earnings, education and welfare will be provided to them."

The Government had set up various committees to take responsibility for boosting the level of development in rural areas, such as the Economic and Social Affairs Minister Councils and the Rural Development and Prosperity Distribution Committee.

Regarding the economic outlook, Mr Chuan said Thailand had one of the highest economic growth rates in the world. Last year, the growth rate was 7.5 percent and this year it was expected to be 7.6 percent, despite earlier predictions that the rate would fall.

Chuan Urged To Set Vision, Agenda for Nation

BK3011013392 Bangkok THE NATION in English 30 Nov 92 p A1

[By Sutichai Yun]

[Text] Chuan Likphai, who rose to the premiership on the aspirations of the common people in a era of enormously high expectations, has threatened to muddle through as an "ordinary" prime minister.

If we are to uphold the rights of the man in the street—the real voice of democracy—we must not allow Chuan to finish his term in office as "just another ordinary prime minister".

Since we are still to reach the first "milestone" of his government—the first 100 days—perhaps the people can afford the luxury of continuing to enjoy post-election euphoria. But, whether justified or not, this is rapidly fading. Chuan's first month was far from impressive, but he may have been able to take comfort in the fact that the public mood was still on his side.

However, unless the prime minister demonstrates a clear sense of direction by projecting a political vision for the nation into the future, instead of allowing himself to be hamstrung by run-of-the-mill issues, he will not only be branded "just another politician playing to the gallery" but will also dash whatever hope there is that "ordinary people" can do extraordinary things for the country's future direction.

Prime Minister Chuan still has everything going for him to lay that first brick of a monumental foundation for Thai democracy that represents vision, courage, depth and multipartisan leadership—a far cry from the ongoing political mediocrity within and without parliament. Chuan must take that bold step and get himself out of the psychological mould of being just a member of the Democrat Party or an MP from Trang. He is more than just a politician struggling to prove he can win votes. Whether he truly comprehends it or not, Chuan has had conferred upon him the mandate to shake up the "politics-as-usual" mentality of the country.

We know—as a good number of people know—that Chuan can do it. He can turn the country around. He has an unprecedented groundswell of support from the people. But when will the prime minister take the first step in that direction?

Lest we forget, let us remind ourselves that these are no ordinary times for the country after the trauma of the May massacre. A new political balance, a massive economic restructuring plan and a thorough no-nonsence social overhaul must be aimed for if we are to achieve a turnaround and avoid the dangerous threat of a backslide into the old abyss. In a nutshell, the country must seriously draw up an Agenda for Thailand for the Year 2000, and this mammoth task must involve all parties concerned, regardless of their political economic and social affiliations.

Prime Minister Chuan can choose to undertake this mission or he can decide to go down in history as a politician who came, saw and was defeated by trivialities. There may still be time for Chuan to embark on that all-important mission. He can summon the best and the brightest of this country to take up the challenge. He can forge a non-partisan task force to revamp the current political and military institutions.

He can effect all the vital economic reforms. He can call on the whole country, and not only his political allies or the bureaucrats, to achieve bold, far-sighted social change, realizing that child prostitution is but one burning wound of society.

Former prime minister Anan Panyarachun started the ball rolling—but the two main constraints that plagued him should be seen as Premier Chuan's strengths: political legitimacy and time.

Chuan cannot afford to be just another prime minister of this country. He must prove to all concerned that parliamentary democracy in Thailand is more than just noisy bickering among MPs wearing different party badges who are exploiting every opportunity to seek votes for the next election.

The message from the people is clear: Chuan has every right as a politician to disappoint his electorate. But history will not forgive him for failing democracy.

Businesses Warned To Prepare for World Changes

BK2711045192 Bangkok BANGKOK POST in English 27 Nov 92 p 21

[Text] Despite the Thai economy's good prospects, Deputy Prime Minister Supachai Phanitchaphak yesterday warned that the country must prepare to adjust to international changes and declining government revenue.

Speaking at the Thammasat Economics Association's annual economic seminar at the Queen Sirikit National Convention Center yesterday Dr Supachai said various economic indicators, such as the level of private and public investment, showed Thailand remained in a very strong position.

While the country had faced a number of difficulties in the past, it was clear the economy needed only two quarters to get back on track, Dr Supachai said.

But it should be noted that changes in the international business community would affect Thailand in the near future, he said.

Thai businessmen would have to prepare well for changes in the international business community, including stronger competition from Malaysia and China and the commencement of the the ASEAN Free Trade Area next year, rather than hoping to simply enjoy the favourable conditions here, he said.

Diversification of Thailand's exports had resulted in continued increases in total export sales, with growth of 16 percent expected to be achieved this year—similar to export growth in China and Malaysia which were also on a strong economic footing.

However both the agriculture and industrial sectors had reported a halving of their export growth rates, with the agriculture sector growing at 2 percent an the industrial sector 7 percent this year.

This meant government support was needed to maintain the agriculture sector along with a new strategy to restructure the sector.

"There must be a change in the agriculture structure with the introduction of measures to minimise the consumption of natural resources in this sector like water. This includs the promotion of new crops that require less water and provide fast production," he said.

Dr Supachai said the country's current account deficit in the first nine months of 1992 was about 50,000 milion baht, down from the average 8-9 percent of GDP to 7 percent as a result of delays to imports of capital goods. The current account deficit still needed to be further reduced, he said.

While imports grew only 0.5 percent in the first half of the year, a rapid increase expected in the third quarter meant the total increase could be 15 percent by the end of the year.

He said the rise in imports would cause current account problems because government revenue would icrease about 10 percent while expenditure would jump about 17 percent.

"These factors and the fact that the Government will have to spend a lot of money on new infrastructure projects will force the Government to be very careful about its financial policy and increase tax collection efficiency," he said.

The debt service ratio, which was once as high as 10 percent for the government sector, had dropped to 4 percent, he said, adding that the private sector' debt service ratio had increased.

Regarding the increase in the Government's budget he said the additional 20,000 million baht would mainly be spent on transportation and agriculture support. The budget would be returned to a balanced status in the future.

Of the most important infrastructure projects, Dr Supachai said infrastructure on the eastern seaboard, the deep-sea ports on the eastern sea board and the new Nong Ngu Hao International Airport must be implemented.

"I promise that infrastructure for the eastern seaboard will be speeded up. The port should be individually managed and ships using Klong Toey port should be transferred to use the facilities on the eastern seaboard instead," he said.

Dr Supachai added that the planned Nong Ngu Hao airport was progressing as scheduled. A land use study was currently being carried out for the airport.

Meanwhile, Bank of Thailand Governor Wichit Suphinit said the Thai economy should maintain a growth rate of 7-8 percent throughout the country's seventh national development plan (1992-96), with private investment and manufacturing exports playing a significant role.

He said the Government had stressed the use of its budget as a tool to distribute growth to rural areas and added that the increased government expenditure this year was unlikely to cause a serious deficit problem.

Mr Wichit was confident the budget would become balanced by the end of the fiscal year because some investment projects would not start as scheduled, so real spending would be lower than anticipated.

While overall economic conditions were improving, interest rates—which have come down 4-5 percent in the past year—would not fall further because the economy would continue to grow and the demand for money would rise.

Image of 'Disunity, Distrust' Persists

BK2711021192 Bangkok THE NATION in English 27 Nov 92 p A6

[Editorial: "One Get-Together Cannot Dispel Image of Disunity"]

[Text] The Tuesday evening get-together of leaders of the five government parties was a "success" from the start when Maj Gen Chamlong Simuang, the de facto leader of Phalang Tham Party, showed up despite earlier speculation that he might skip it, with the excuse that he is not formally the party leader. Ascetic Chamlong, who eats only one vegetarian meal a day in the morning, even stayed till the end while his coalition partners wined and dined on expensive Chinese delicacies and sang.

Chamlong's presence throughout enabled several ministers to claim success for the event, the first of its kind in this five-party coalition government. Premier Chuan Likphai, who looked quite pleased with the outcome, voiced his optimism that the gathering should dispel the image of disunity in his coalition. And Social Action Party leader Montri Phongphanit, who footed the bills because the get-together was his idea, confidently claimed that his party no longer had any problem with the four other coalition partners.

Unfortunately MP [member of parliament] Piyanat Watcharapon, spokesman for the Social Action Party, proved Montri wrong on the following day when he stood up to oppose the government's bill on the reorganization of the Defence Ministry. Piyanat had already voiced his dissent during an earlier meeting of the 19 government whips on this bill, but he was outvoted. His maverick behaviour in the House meeting immediately drew sharp criticism from fellow government whips.

In fact, Piyanat had a good point in voicing his objection. The government coalition intentionally combined the bill on empowering the Cabinet, instead of the prime minister alone, to order anti-riot operations by the military with the bill to upgrade the Royal Aide-De-Camp Department into an independent body inside the Defence Ministry. Nobody would object to the latter, but many MPs have strong reservations of the former. Some were afraid that the Cabinet would be too slow to respond to an national emergency, thus they wanted the power to order anti-riot operations by the military to remain in the hands of the prime minister.

Therefore, Piyanat could claim he opposed combining the two unrelated bills into one as a matter of principle. And in the end he didn't vote against it; he left the meeting hall before the vote.

A clearer test case on the Chuan coalition's unity will come when the five government parties take their stand on the issue of gubernatorial elections outside Bangkok. The government leaders were supposed to have discussed this issue during their private meeting on

Government won't do it in spite of the fact that three parties in this government were the key to the protest. Why are they now not interested in it? They won't say anything about those who have gone missing.

Q: So it would end with nothing coming out?

A: It cannot. The legal stature of this is 20 years. It can drag on if you don't hurry to terminate it. People are waiting for the timing and a new government can go along with them.

Q: If you have the chance to administer the country again what would you do about this?

A: Whatever the people want. The people say that they want to know about the bodies. We will be glad to help. And the missing, a committee has to be set up to find them no matter what. It all has to be cleared.

Q: Looking back, was it necessary for Gen Suchinda Khraprayun and ACM [Air Chief Marshal] Kasem Rotchananin to be pushed into setting up a political party?

A: Yes it was necessary. Even if no one pushed them, they had to set it up because they have done a wrong (staging a coup) and the legal stature on such a case is a very long time. They had to come in and fight in Parliament.

Q: Where is the assets seizure cases now?

A: I don't know. They are just examining witnesses. The order of the NPKC [National Peace Keeping Council], I don't consider a big thing. Didn't the NPKC break the law.

Q: Will the Opposition make a motion on this or attempt to abolish them?

A: I don't care. It rests with the court. I can only depend on the court. Like the NPKC if they didn't succeed they would be called rebels and considered to have committed *lese majeste* because I was on my way for an audience with His Majesty the King when they staged a coup. Their subordinates saw their superiors do this and they can do anything too. Discipline is very important.

Q: Gen Chawalit Yongchaiyut said that there was a need to compromise.

A: You can't compromise. The law does not allow for soldiers to go up a police station and ransack it and hurt officials. This is a matter for the law not for compromise. A committee has to be set up to investigate and send them to the police and prosecute.

Everyone will carry a gun if Phuyai (elders) behave this way.

Q: Soldiers do not have much discipline, do you think that there is a chance for them to return to political power?

A: Just choose their commanders well. Choose a lot of them in the Armed Forces. There are a lot of knowledgeable and professional soldiers but they don't have a chance.

Q: The current commander is not good enough?

A: He is not bad. He makes good decisions. I want to see if this case will be a compromise. If it is there will be nothing left.

Commerce Ministry Sets Export Target for 1993

BK2611032192 Bangkok THE NATION in English 26 Nov 92 p B12

[By Atchara Phonwutthitham]

[Text] In expectation of a world economic recovery, the Commerce Ministry has set an export target for the country of Bt[baht]981 billion in 1993, a 16.09 per cent increase on 1992.

The target is higher than that set under the 7th National Plan (1992-1996) which was 14.7 per cent annually.

Total trade value in 1993 is set at Bt2,196 billion, comprising Bt981 billion worth of 157 export items, a 16.09 per cent increase and imports of Bt1,215 billion, a 15.17 per cent increase.

The ministry predicted the trade deficit to be Bt234 billion next year, 11.43 per cent higher than 1992.

Phaithun Kaeothong, deputy commerce minister, also announced yesterday that the Commerce Ministry would hold a seminar on the trade targets Nov 27-29 at the Ambassador Hotel, Chomtian to hear views from other state agencies and the private sector.

He said the 1993 export targets were set based on projected world growth rate of 3.2 per cent.

Phaithun said the Commerce Ministry to promote exports is planning to push for the following: —Restructure the import duties especially of raw materials and semi-raw materials.

—Use of bank guarantees to replace cash guarantee to enable exporters to save costs.

—Improve the customs procedures to facilitate trade.

—Improve food inspection standards to win confidence of overseas buyers.

—Conduct trade negotiations at bilateral and multilateral levels for the benefit of the country.

—Help to find new markets for Thai exports such as the Middle East, Eastern Europe, Latin America, Australia and Indochina.

The new export targets include setting exports of 34 main agriculture products to grow 1.79 per cent to Bt157 billion, 120 industrial products to grow 14.15 per cent to Bt616.2 billion and minerals 1.99 per cent to Bt7.4 billion and a 37.87 per cent increase for other items to Bt199.5 billion.

The top 10 exports are garments and textiles (targeted to grow 15.98 per cent to Bt112.5), computers and parts (14.94 per cent to Bt60 billion), jewellery and ornaments (11.84 per cent to Bt42.5 billion), frozen shrimps (10 per cent to Bt33 billion), rice (down 8.82 per cent to Bt31 billion), shoes and parts (up 11.54 per cent to Bt29 billion), rubber (5.93 per cent to Bt28 billion), integrated circuits (19.43 per cent to Bt27 billion), canned seafood (9.05 per cent to Bt24.8 billion) and televisions and parts (20 per cent to Bt24 billion).

The US is expected to remain the biggest market with a share of 23 per cent of Thai total exports, Japan 18 per cent and EC 16.8 per cent and Asean 13.5 per cent.

Thailand's International Trade (bn bt) [billion Baht]

	1991	1992	1993
Total Trade	1,684.86	1,900	2,196
Export	725.45	845	981
Import	959.41	1,055	1,215
Trade Balance	-233.96	-210	-234

Source: Commerce Ministry. 1992 are preliminary and 1993 are estimates.

Vietnam

State Oil Chief Meets Senior U.S. Officials

BK0112162092 Hong Kong AFP in English 1123 GMT 1 Dec 92

[Text] Hanoi, Dec 1 (AFP)—The head of Vietnam's state oil company met senior American business and government figures during a two-week trip to the United States last month, the official Vietnam News Agency (VNA) reported.

The trip by PetroVietnam director general Ho Si Thoang came as Hanoi weighed final bids from international oil companies seeking to develop the Dai Hung (Big Bear) offshore oil field, potentially Vietnam's largest, observers noted.

Thoang, who was accompanied by other senior Vietnamese Government officials, met notably with former secretary of state Henry Kissinger, now a consultant, and Senators John McCain and Bob Kerry, both Vietnam veterans.

He attended a World Bank luncheon where he had "cordial talks" with White House chief of staff Clayton Yeutter and international bankers, the agency said.

Washington has blocked World Bank lending to Hanoi as part of its economic embargo against its former foe, a policy that has also prevented U.S. oil companies from officially bidding on the huge Dai Hung project.

But Vietnamese sources confirmed this week that Hanoi has had direct contacts with U.S. firms concerning Dai Hung, and was willing to wait another month or two to see if U.S. President George Bush eases the embargo so they can participate.

The oil companies which met with Thoang in Washington or Dallas, Texas included Phillips Petroleum, Chevron, ARCO Oil and the IPCO Group, the agency said.

The Vietnamese delegation also met representatives from communications giant Motorola and heavy-equipment maker Caterpillar, and had talks with Henry Kaufman, a former U.S. Federal Reserve Bank head, and Philip Grabich, chief economist for the the New York Stock Exchange.

U.S. Senator John Kerry indicated after visiting Vietnam last week that he would advise Bush to allow U.S. firms to open offices and sign contracts in Vietnam, in response to Hanoi's increased cooperation in accounting for American servicemen missing from the Vietnam War.

Pham Van Dong Receives PRC Premier

BK0112152292 Hanoi VNA in English 1505 GMT 1 Dec 92

[Text] Hanoi VNA Dec. 1—Advisor of the party Central Committee Pham Van Dong received here this afternoon Chinese Premier of the State Council Li Peng and his party on a current visit to Vietnam.

Premier Li Peng conveyed best regards from General Secretary of the Chinese Communist Party Zhang Zemin and other party and state leaders of China to advisor Pham Van Dong. The premier expressed his joy at the achievements recorded by the Vietnamese people in the renovation, and sincerely wished them still greater successes in building a prosperous Vietnam. He expressed his hope that the traditional friendship neighbourliness between the two countries would be further developed.

For his part, advisor Pham Van Dong welcomed Premier Li Peng's official visit as an event of important significance, and wished it success, thus contributing to the consolidation of the traditional friendship and cooperative relations of mutual benefit between the two peoples. He wished the Chinese people greater achievements in the building of a prosperous, beautiful China.

Advisor Pham Van Dong asked Premier Li Peng to convey his best regards to General Secretary Jiang Zemin and other Chinese party and state leaders.

Foreign Minister Nguyen Manh Cam was present at the reception. Also on hand were Li Langqing, minister of foreign economic relations and trade; He Chunlin, deputy secretary general of the National People's Congress; Qi Huaiyuan, head of the office of the National People's Congress; Xu Dunxin, deputy foreign minister and Zang Dewei, Chinese ambassador to Vietnam.

Li Peng's Activities Reported

BK0112153292 Hanoi VNA in English 1450 GMT 1 Dec 92

[Text] Hanoi VNA Dec. 1—Visiting Chinese Premier Li Peng and his party this morning paid a floral tribute to President Ho Chi Minh at his mausoleum and visited his residence and office.

Premier Li Peng's wreath has the inscription: "Homage to President Ho Chi Minh, a great leader of the Vietnamese people, a close friend of the Chinese people."

Later Premier Li Peng and his entourage visited Da Ton Commune, Gia Lam District, on the outskirts of Hanoi, where they called on a farmer family and a handicraft household.

In the evening Premier Li Peng and other Chinese guests attended an art performance held in their honour.

Minister of Agriculture and Food Industry Nguyen Cong Tan and Chinese Ambassador to Vietnam Zang Dewei were present at those events.

This afternoon premier Li Peng's wife visited the Dong Da woollen carpet enterprise in Hanoi.

Received by Do Muoi

BK0212160392 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 2 Dec 92

["Latest news report"]

[Text] On the afternoon of 2 December, Comrade Do Muoi, general secretary of the party Central Committee Secretariat, cordially received Chinese Prime Minister Li Peng now on a visit to Vietnam.

General Secretary Do Muoi welcomed Prime Minister Li Peng, his wife, and his entourage. He said the prime minister's visit to Vietnam would not only of be of great significance to both countries, but that it would also contribute to promoting the trend toward peace, cooperation, and development in the Asia-Pacific region.

He hailed the success of the 14th congress of the Communist Party of China and congratulated the Chinese people on their great, all-round achievements in their reform and door-open policies and in building Chinese-style socialism.

General Secretary Do Muoi asked Prime Minister Li Peng to convey his regards and and best wishes to General Secretary Jiang Zemin and other Chinese party and state leaders. He also reiterated an invitation for General Secretary Jiang Zemin to pay an official friendship visit to Vietnam at a suitable date.

With regard to bilateral relations, the comrade said: Over the past little more than a year since the high-level Sino-Vietnamese meeting in November 1991, the friendly and cooperative relations between the two parties and countries have shown some developments. It is hoped that these relations will be increasingly strengthened and broadened and will produce more results.

General Secretary Do Muoi expressed the hope that outstanding issues between the two countries, especially those newly-arisen and already discussed by the two prime ministers, will be promptly solved in order to promote the better development of Sino-Vietnamese friendship and cooperation.

Prime Minister Li Peng sincerely thanked General Secretary Do Muoi for having accorded a warm welcome to him and his entourage. He conveyed the regards and the best wishes of General Secretary Jiang Zemin as well as other Chinese party and state leaders to General Secretary Do Muoi.

Prime Minister Li Peng briefed General Secretary Do Muoi on the Chinese situation, the results of the 14th CPC congress, and on the achievements of the Chinese people in their cause of building a Chinese-style socialism.

The Comrade expressed his joy over those great and important achievements gained by the Vietnamese people in their renovation undertaking under the leadership of the Communist Party of Vietnam [CPV].

He wished the Vietnamese people ever-greater achievements in their cause of building a prosperous and powerful socialist Vietnam along the line laid down by the Seventh CPV Congress.

General Secretary Do Muoi and Prime Minister Li Peng also exchanged views on international issues of mutual concern.

Also present at the meeting on the Vietnamese side were Foreign Minister Nguyen Manh Cam, Minister of Agriculture and Food Industry Nguyen Cong Tan, Deputy Head of the party Central Committee Foreign Relations Department Pham Van Chuong, and Vietnamese Ambassador to China Dang Nghiem Hoanh. On the Chinese side were those accompanying Prime Minister Li Peng during this visit and Chinese Ambassador to Vietnam Zhang Dewei.

Denies Seeking Aircraft Carrier

BK0212132192 Hong Kong AFP in English 1305 GMT 2 Dec 92

[By Andrew Sherry]

[Text] Hanoi, Dec 2 (AFP)—Chinese Premier Li Peng denied here Wednesday that China was seeking an aircraft carrier to project its naval strength and pledged to settle all disputes with Vietnam through peaceful negotiations.

"Recently there has been a rumor that China is now expanding its navy and would buy an aircraft carrier from Russia or the Ukraine. All this is sheer nonsense and unfounded," Li told a press conference.

"The Chinese military is used entirely for the purposes of self-defense," he said. "China is opposed to hegemonism and power politics... Even if it becomes a developed country in the future it will not seek hegemony."

Li's statements came at the end of a three-day visit to Hanoi, the first by a Chinese premier since 1971. He was to wrap up his trip by touring Ho Chi Minh City on Thursday and Friday.

Despite Li's pronouncements, his visit produced little concrete progress on the long-running territorial disputes between Vietnam and China, Vietnamese sources said.

Li declared that China had proposed joint exploration of disputed maritime territory, but Vietnamese sources said he had refused to talk about the Spratly islands, where competing sovereignty claims led to a Sino-Vietnamese naval clash in 1988.

The offer only applied to an offshore oil exploration concession that Beijing leased to U.S.-based Crestone Energy Co. in May, the sources said. Hanoi, which says the concession is on its continental shelf, refused to consider the proposal.

Vietnam has accused China of aggravating their long-running territorial disputes in the past year, despite a pledge not to do so made when the two communist neighbors normalized diplomatic relations in November 1991.

China's assertiveness, which included reinforcement of its claim to the Spratlys, raised fears that it would emerge as a regional bully in the wake of the Soviet collapse and the withdrawal of U.S. forces from the Philippines.

Li said he had agreed with Vietnamese Prime Minister Vo Van Kiet to upgrade negotiations aimed at ending their disputes, which include disagreements over border demarcation on land and sea.

In the meantime, China and Vietnam should refrain from the use of force, avoid aggravating the problems, and prevent them from interfering with the development of their relations, he said.

Much of the visit was geared to promoting economic relations. Chinese Trade Minister Li Lanqing announced an interest-free loan to Vietnam, the first Chinese economic aid to Hanoi since the Vietnam War. But he acknowledged that the medium-term loan was only "a token of the friendship of the Chinese people." Vietnamese Foreign Minister Nguyen Manh Cam said the yuan-denominated loan was worth about 14 million dollars.

The two sides also agreed to set experts to tackle the problem of smuggling, which Vietnam says is hurting its domestic industry.

China provided huge amounts of military and economic aid to Hanoi during its war against U.S.-backed South Vietnam, but relations turned sour even before the 1975 victory as Hanoi moved closer to the Soviet bloc. Differences flared into a border war in February 1979, after Vietnamese invasion troops ousted the Chinese-backed Khmer Rouge from power in Cambodia and China retaliated by attacking Vietnam.

Joint Talks Held

BK0212025792 Bangkok BANGKOK POST in English 2 Dec 92 p 7

[Text] Hanoi—China and Vietnam yesterday agreed to resolve their land and sea dispute through accelerated peaceful dialogue.

Chinese Prime Minister Li Peng and his Vietnamese counterpart Vo Van Kiet met for over two hours during which they promised not to resort to the use or threat of force in settling territorial disputes.

But Chinese Foreign Ministry spokesman Wu Jianmin said afterwards the concession which China granted in May to US-based Crestone Energy Corp to explore for oil in an area which Vietnam says is its continental shelf will remain valid.

He said the "common understanding" reached by the two premiers yesterday was crucial to the future settlement of territorial disputes.

Vietnam is worried by China's recent expansion in the Tonkin Gulf and South China Sea. Both countries claim sovereignty over the Spratly Islands, which are believed to be oil-rich.

The two countries agreed not to let the territorial dispute get in the way of developing bilateral ties which were normalised last year, he said.

Although the two leaders discussed resumption of Sino-Vietnamese railway links, delayed as a result of disagreement on border demarcation, the spokesman said only they would take measures to enable the resumption at an early date.

The Chinese premier arrived here Monday for a five-day official visit, the first by a Chinese leader in 21 years.

In tandem with the summit, Chinese and Vietnamese senior officials yesterday held three meetings aimed at expanding trade, economic, science and technological cooperation.

Chinese Minister for Foreign Economic Relations and Trade Li Lanqing and Vietnamese Minister of Commerce Le Van Triet discussed smuggling.

Smuggled Chinese consumer goods have flooded the Vietnamese markets raising an outcry that this posed a threat to the development of Vietnam's fledgling industries.

The two ministers agreed that experts from both countries should study specific measures to curb smuggling and forward their proposals to the respective governments, said Mr Wu.

The Vietnamese and Chinese Chambers of Commerce also held talks yesterday in which they agreed to a more active exchange of information and visits.

On technology cooperation, China will help Vietnam modernise its old factories.

The Chinese and Vietnamese prime ministers are due to sign three agreements today covering investment protection, science and technology cooperation, and cultural cooperation.

A Chinese Consulate in Ho Chi Minh City and a Vietnamese Consulate in Guangzhou will soon be opened, the spokesman said.

Cooperation Agreements Signed

BK0212160192 Hanoi VNA in English 1548 GMT 2 Dec 92

[Text] Hanoi VNA Dec. 2—A ceremony was held this afternoon at the Presidential Palace to sign the agreements between Vietnam and China on the occasion of Premier Li Peng's visit to Vietnam. Premier Vo Van Kiet and Premier Li Peng witnessed the signing.

Minister and head of the State Committee for Cooperation and Investment Dau Ngoc Xuan and Minister of Finance Ho Te on behalf of the Vietnamese Government and Chinese Minister of Foreign economic Relations and Trade Li Lanqing on behalf of the Chinese Government signed an Agreement on Encouragement and Guarantee of Investments and an Agreement on Economic and Technical Cooperation. Under the latter agreement, the Chinese Government will grant an interest-free credit of 80 million Chinese yuan to the Vietnamese Government.

Also today, an Agreement on Scientific and Technical Cooperation was signed by Vietnum Deputy-Minister of Science, Technology and Environment Le Quy An and deputy head of the Chinese State Scientific and Technological Commission Zhou Ping. An agreement on cultural cooperation was signed by Deputy-Minister of Culture Vu Khac Lien and his Chinese counterpart Liu Deyou.

Li Peng Visits Trade Exhibition

BK0212155592 Hanoi VNA in English 1525 GMT 2 Dec 92

[Text] Hanoi VNA Dec. 2—The visiting Chinese Premier Li Peng, his wife and party this morning visited the China Trade Exhibition 1992 at the Giang Vo Exhibition and Fair Centre.

The delegation was greeted by Minister of Culture and Information Tran Hoan. Premier Li Peng visited the pavilions of more than 80 companies and enterprises, and attended a Chinese fashion show.

Also today, Premier Li Peng and his party visited the 'March 8' Textile Mill built 27 years ago with Chinese assistance.

PRC Ambassador Holds Banquet

BK0212154992 Hanoi VNA in English 1535 GMT 2 Dec 92

[Text] Hanoi VNA Dec. 2—Chinese Ambassador Zhang Dewei gave a banquet here this evening on the occasion of Premier Li Peng's official visit to Vietnam.

Premier and Mrs. Li Peng and the other members of the Chinese delegation were present at the banquet.

Premier Minister and Mrs Vo Van kiet and other party and state leaders of Vietnam and representatives of various offices and mass organisations also attended.

Premier and Mrs. Li Peng and Ambassador Zhang Dewei together with Prime Minister and Mrs Vo Van Kiet proposed toasts for the constant strengthening and development of the relations of friendship and good neighbourliness between China and Vietnam.

In the afternoon, Premier Li Peng held a press conference.

PRC Trade Exhibition Opens in Hanoi 1 Dec

BK0112162292 Hanoi VNA in English 1445 GMT 1 Dec 92

[Text] Hanoi VNA Dec. 1—China's Trade Exhibition 1992 was opened here this morning by the International Trade Promotion Association of China.

Present at the opening ceremony were, among others, Minister of Culture and Information Tran Hoan, Minister of Trade Le Van Triet, Mayor of Hanoi Le At Hoi. On the Chinese side were Minister of Foreign Economic Relations and Trade Li Langqing, Chinese Ambassador Zhang Dewei and others.

Deputy Minister of Culture and Information Vu Khac Lien and Chinese Chairman of the International Trade Promotion Association Zheng Hong Ye delivered opening speeches.

This is the biggest Chinese trade exhibition since 1956. On display are products from 80 countries.

The exhibition will last till Dec. 8 in company with a Chinese fashion show.

PRC Party School Delegation Visited 22-29 Nov

BK0212155392 Hanoi VNA in English 1530 GMT 2 Dec 92

[Text] Hanoi VNA Dec. 2—A delegation of the Chinese Party School under the Communist Party of China Central Committee led by Deputy Director Xue Ju paid a week-long visit to Vietnam from Nov. 22-29.

While in Vietnam, the delegation paid tribute to the Ho Chi Minh Mausoleum visited the late president's home and office, toured a number of cultural and production establishments in Hanoi and Ho Chi Minh City.

The Chinese delegation was received by Nguyen Duc Binh, Politburo member and secretary of the party Central Committee.

Resolution Against KR Seen 'Not Strong Enough'

BK0212123292 Hanoi Voice of Vietnam in English 1000 GMT 2 Dec 92

[Text] The UN Security Council on Monday recommended an oil embargo against the Khmer Rouge [KR] and said UN Council on Cambodia should prepare for multiparty election regardless of whether the faction takes part or not. This is our comment:

Resolution is aimed imposing punitive economic measures against the Khmer Rouge. This action is actually necessary in this juncture in Cambodia. The UN hopes that this resolution and the deadline for the Khmer Rouge to return to the peace process by January 31, 1992, will be carried out as scheduled. However, foreign observers said that hope is very difficult to come true. The UN resolution might not shed light on the road toward peace in this deadlocked situation in Cambodia because the punitive measures imposed on the Khmer Rouge by the UN are not strong enough and not resolute. Moreover, many countries relating to the Cambodian issue have not agreed to this UN resolution. Meanwhile, in this stage, the Khmer Rouge keep rallying their troops and stockpiling weapons. According to sources from Phnom Penh, they are preparing for attacks against Sisophon and Route Number Five in Cambodia. Thus it is obvious that in the coming days, the peace process of Cambodia will be still in a deadlock.

Do Muoi at Party Secretariat Meetings

BK3011124392 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 23 Nov 92

[Text] In anticipation of the forthcoming Communist Party of Vietnam [CPV] Central Committee's Fourth Plenum to discuss and adopt resolutions on cultural, artistic, education, training, public health, physical fitness, and population and family planning issues, the CPV Central Committee Secretariat held many conferences recently to hear ideas from artists, writers, outstanding teachers and scientists of the education and public health sectors. Ideas were also gleaned from management cadres in the cultural, artistic, education, training, and public health sectors, especially those sent to the various draft reports to be presented at the party Central Committee's Fourth Plenum.

General Secretary of the CPV Comrade Do Muoi chaired the conferences. Also attending were members of the CPV Central Committee Secretariat and government representatives.

Conference delegates were delighted to learn that the forthcoming party Central Committee Plenum will discuss and adopt resolutions on various important cultural and social issues. This manifests our party's and state's special attention toward human resources. Our goal is to make the Vietnamese people physically strong and more intellegent, and to provide them with better education to enable them to maintain good ethics and the fine quality of Vietnamese culture. That party resolutions are discussed right at the drafting period shows that the party is carrying out this task impressively and democratically.

In their ideas contributed to the draft resolution on the current cultural and artistic scene and tasks for the future, various artists and writers contend that achievements in these areas play an important role in implementing the renovation. The contingent of artists, writers, and cultural cadres has become more matured. They have produced good and diversed work to meet the cultural tastes of the people of various strata. Despite numerous difficulties, the state has made great efforts in investing more money to promote cultural activities. This also includes the funding of more artistic projects, strengthening traditional culture, and encouraging the formation of good models for a new cultural lifestyle. The state has also formulated lines and policies on improving the daily life of Vietnamese artists and writers while striving to expand cultural exchanges with foreign countries.

While stressing the positive side of literature and the arts, many artists and writers mentioned the prevailing negative phenomena which are the prime concern of the society at present. These are the trend towards debauched lifestyles, the recurrence and development of superstition, and the prevelance of decadent culture which have damaged our people's good tradition and ethics. Moreover, many books and publications with wrong concepts, deviant political thinking, and lacking in an artistic nature are being circulated. It is necessary to say that the theoretical work and criticism have attained little progress because they are carried out in a passive and one-sided manner.

Many artists and writers have analyzed the subjective and objective causes of these negative phenomena in culture, the arts, and literature. They have also contributed ideas on party and state orientations and tasks for the arts and literature. They discussed the state policy toward artists and writers and efforts to build a modern Vietnamese culture symbolizing all national characteristics, the great masses, and modern society.

While contributing their ideas to the draft report on renovating education and training set forth by the Seventh CPV Congress resolution, many outstanding teachers and management cadres wre unanimous that these areas have progressed remarkably since the August Revolution. In the past 47 years, education and training have produced five competent generations of people for our new regime. The Vietnamese revolutionary achievements of the past several decades have effectively helped develop the education sector.

In the 10 years of education reform, the kindergarten sector has made notable progress, especially in the quality of raising children. The universalization of primary education and campaigns to eliminate illiteracy have had satisfactory results. General education has expanded and developed. Special attention has been paid to building schools for disabled children and for the gifted. Universities, high schools, and vocational schools have made great efforts in developing diversed ways to improve teaching and learning. They have implemented a policy on changing some of their curriculum to suit realities. It is necessary to say that teachers who love their profession and who are mature in the various aspects have made great efforts in overcoming difficulties in their material and spiritual life to continue with their tasks and duties.

Many delegates also contributed ideas on the shortcomings in education and training. They said the quality of education has declined somewhat compared to the past 10 years, and that our education system has not met the requirements of the current market system under state management. Given the needs of serving rapid development programs in our country for the next several decades, the education and training sector is still small in scale, poor in quality and professional skills, and obsolete in organization and management.

Various delegates analyzed the reasons for the defects in the education sector and gave their views on how to continue to renovate education and training. It is necessary to regard education and training as a top national policy. At this point, appropriate investment by the state and the people is needed to achieve the strategic objective of bringing education and training to full play. Efforts should be made to harmoniously link the task of improving the people's intellectual standard, personnel training, creating talent, and ensuring education for all.

The conferences delegates also contributed views on a plan to improve public healthcare. The party Central Committee Secretariat heard many ideas from various scientists and public health management cadres. All the views hailed the success of public healthcare in Vietnam. The public health sector has strived to carry out the correct health policy and line of our party and state. It has attached importance to disease prevention, combined traditional medicine with modern medicine, and paid attention to developing local medicinal resources.

The sector has been able to build an extensive system from the central down to grass-roots levels. This system has contributed greatly to disease prevention. Many epidemics and social diseases have been controlled and eliminated. Effective cooperation between the public health sector and the military medical units has produced good results in the general health of the populace and in medical treatment. Many public health cadres with the conscientiousness of physicians have conducted scientific studies and are accomplished in their careers.

The conferenes delegates looked at the truth squarely in the eye. They described the state of the current public health service and called for prompt measures to overcome shortcomings. So far, the public health sector has operated ineffectively in medical examination and treatment. It has not been able to take measures to suit the market mechanism while ensuring the humanitarian character of healthcare and guaranteeing equality in medical examination and treatment for all people.

The standards of many public health establishments have seriously deteriorated in all aspects, while public health and disease prevention and control are now urgent problems. The people's fitness has developed slowly. The growth rate and malnutrition increasing while the rate of virus and parasitic inflamation is high, notably malaria.

Due to inappropriate attention on education, management, and daily life, a segment of public health cadres have belittled their conscience as physicians. Their ethics have eroded. The private health system has not been closely managed and imitation drugs are everywhere.

Delegates to the conferences pointed to its causes and suggested that the unification of all views, as health is the most valuable asset. It is necessary to be positive and dynamic in disease prevention, to link traditional with modern medicine, and to develop the tradition of regarding physicians as good mothers. The forms of health protection for the people should be diversified. Various delegates also gave their views on the party and government's policies and measures to develop the public health service.

After listening to the ideas of artists, writers, scientists, and management cadres, Comrade General Secretary Do Muoi hailed their efforts, saying that their views are valuable and will help the party Central Committee to come up with correct solutions. In his speech, the general secretary pointed out the very special roles of the cultural, artistic, literary, education and training, and public health sectors as they are the strong forces that will help accelerate the socioeconomic development program. He stressed the long-term objectives of various issues to be discussed at the forthcoming party Central Committee Plenum. These are aimed at improving the physical fitness and talent of various generations of Vietnamese and at improving their material and spiritual life so that they may maintain good ethics and a healthy lifestyle in accordance with the national tradition. The general secretary also urged efforts to resolve pressing problems in the cultural, artistic and literary, education and training, and public health domains.

General Secretary Do Muoi urged various sectors and echelons to urgently review their tasks and draw on essential lessons to improve their leadership and mangement over the cultural and social welfare tasks.

Dealing with policies and measures to carry out resolutions of the forthcoming party Central Committee Plenum, the general secretary stressed that this is the task for all people and the state. As a result, efforts must be made to firmly grasp the motto: The state and people work together. He proposed that the government formulates, in advance, policies to improve activities in the cultural, artistic and literary, education and training, and public health sectors so that they can be promulgated immediately after the adoption of the party Central Committee Fourth Plenum's resolutions.

Australia

Slump in Exports Worsens Current Account Deficit

BK3011080092 Hong Kong AFP in English 0649 GMT 30 Nov 92

[By Tim Cribb]

[Text] Sydney, Nov 30 (AFP)—A dramatic slump in exports caused a blow-out in Australia's current account deficit for October, figures showed Monday, fuelling fears the country's trade position was worsening.

The Bureau of Statistics reported that the deficit for October was 2.04 billion Australian dollars (1.40 billion U.S.) for October, compared with 1.4 billion dollars a year earlier and the highest since January 1990.

The worse-than-expected result sparked a sell-off of the Australian dollar amid analysts' concerns that export growth would not be able to match rising imports.

Market deficit forecasts had ranged from one billion dollars to 1.50 billion dollars.

A four percent fall in imports for October was wiped out by an 11 percent drop in exports, in seasonally adjusted terms when compared to the previous month.

The Australian dollar dropped on the news to finish locally at 68.32 U.S. cents from an opening of 68.86 U.S. cents and Friday's local close of 68.83 U.S. cents.

Macquarie Bank foreign exchange dealers said the central Reserve Bank began buying when the dollar hit a day's low of 68.20 U.S. cents to support the currency.

Westpac Banking Corp. chief economist Bill Evans said the result "confirms the downward trend in our trading position" in line with a slowing world economy, lower demand for Australian exports and weakening commodity prices.

Broking house Potter Warburg economist Marcus Tuck described the figure as "very nasty."

"The import situation is looking very worrying," he said.

In seasonally adjusted terms, the deficit was 1.8 billion dollars, up from 1.51 billion dollars the previous month and the highest since January 1990.

Treasurer John Dawkins said: "The fall in exports was spread across a large number of categories and underscores the inherent volatility in the monthly balance of payments figures, although some correction was to be expected following the strength in exports recorded over recent months."

Dawkins noted a significant improvement in the net services deficit, which declined by 79 million dollars, or 27 percent, reflecting continuing strong growth in tourism receipts.

Analysts said that October was traditionally a bad month for the current account with the import of Christmas stock.

Insurance house Legal and General economist Tom Wheelwright said: "Imports have been growing very strongly indeed but exports have been growing just as fast if not faster and as soon as you get any sort of pause or any sort of stumble in export growth you can see how quickly the gap widens."

"What we're doing at the moment is really riding on the tigers back," Wheelwright said.

For the first four months of the June 30 financial year, the 1992-93 deficit was 39 percent up on the previous corresponding period at 6.96 billion dollars from 4.99 billion dollars.

The figures cast doubt on the government's budget forecast for a 15 billion dollar deficit for 1992-93 from 12.1 billion dollars in 1991-92.

Evans said that while another fall in exports of the magnitude seen in October was unlikely "it must be a big disappointment for the government."

"The trend is for weaker export growth and imports have been a problem for the last four months," Evans said.

He said Westpac would be revising upwards its forecasts for the final deficit result, commenting: "It will be very difficult for the government to hit its target."

Tuck said attention would be increasingly focused on the balance of payments and the level of net foreign debt.

The national accounts for the three months to September 30 are to be released on Tuesday, revealing the level of growth in gross domestic product and foreign debt.

"There's every chance net foreign debt will be above 40 percent of GDP and that will be of concern to the currency markets," Tuck said.

Net foreign debt was 150.05 billion dollars in the June quarter, with analysts forecasting that to rise to about 160 billion dollars in the September quarter.

Growth of Exports to ASEAN Forecast

BK0212100492 Hong Kong AFP in English 0558 GMT 2 Dec 92

[By Jack Taylor]

[Text] Sydney, Dec 2 (AFP)—The unparallelled growth and new prosperity of Southeast Asia have given Australia the chance to quadruple its exports to the region by 2000, according to a report released Wednesday by Foreign Minister Gareth Evans.

It shows exports could be increased to 27 billion Australian dollars (18.4 billion U.S.) if Australia increases its regional market share by only one percentage point to four percent.

The target countries will be Indonesia, Singapore, Malaysia, Thailand, the Philippines along with "the sleepers" of the last decade, Vietnam, Laos and Cambodia.

"It is Australia's immense good fortune to be located next to some of the most rapidly growing markets in the world," Evans told a luncheon here.

"For the first time in Australia's history, distance no longer handicaps our trade."

Singapore, the report says, had become "a mature economy which is likely to have a per capita income greater than Australia's by the year 2000."

Indonesia, at an earlier stage of industrialisation, had been able to derive strong growth from labour-intensive manufactures in the late 1980s and appeared set to continue this trend.

But Malaysia and Thailand were tipped to become major regional industrial economies in much the same way as did Singapore in the late 1970s and South Korea and Taiwan in the 1980s.

However, while Malaysia showed most promise of shifting to higher value-added production with relatively high levels of education, training and infrastructure, Thailand's extremely high growth could be impeded by infrastructure constraints.

The 1990s, said Evans, held great promise for continued strong growth in Southeast Asia where political leadership accepted economic success was a factor in political legitimacy.

In the past few years, the Southeast Asian economies had weathered the sharp slowdown in the international economy, doubling growth rates in a decade in which world growth was neglible, Evans said.

Australia's exports to the region currently stand at six billion a year and just maintaining market share would result in a trebling of exports to 17-19 billion dollars, the report says.

An extra one percent would raise them as high as 27 billion dollars.

But the study was highly critical of Australian business and political leaders who, it said, had generally bypassed the region as it underwent major change in the past.

It also warned that potential gains could be jeopardised by the poor level of direct Australian investment.

"Significant opportunities have presented themselves in the past, but we have failed to grasp them fully," it said. A failure to come to terms with the changes in the region "and deeply to engage ourselves with the region" would result in opportunities being lost forever.

The report, Australia's Business Challenge: South East Asia in the 1990s, was prepared by the East Asia Analytical Unit of the Department of Foreign Affairs and Trade.

It recommends government and business look at ways to increase the share of Australian investment from 4.5 per cent to 10 per cent by the turn of the century.

Among sweeping recommendations, it proposes companies consider joint ventures with local companies as the best way of entering Asian markets.

The rapidly developing economies of Southeast Asia would create a growing demand for sophisticated goods and services as well as Australia's agricultural and mineral exports, it says.

The ranks of the region's middle class would have swelled from around six million now to over 40 million by early next century, according to World Bank definitions, Evans said.

Australia arrested a downturn in its export market share in the region in 1987 and since then its fastest growing exports have been high value added manufactured goods and services.

GDP Growth at 2.1 Percent; Debt Growth Continues

BK0212020992 Hong Kong AFP in English 0106 GMT 1 Dec 92

[Text] Sydney, Dec 1 (AFP)—Australian real Gross Domestic Product (GDP) on an average basis rose 0.5 percentage points in the three months to September 30 on the previous quarter, while net foreign debt rose 5.2 percent in the period, the Bureau of Statistics reported Tuesday.

The bureau reported that GDP growth for the year to September 30 was 2.1 percent following rises of 0.4 percent, 0.6 percent and 0.5 percent for the preceding three quarters.

It further reported that net foreign debt rose to 162.84 billion Australian dollars (110.65 billion U.S.) in the September quarter from 149.94 billion dollars in the June quarter and 138.03 billion dollars a year earlier.

Gross debt rose to 201.02 billion dollars from 187.08 billion dollars in the June quarter and 172.01 billion dollars a year ago.

The net debt to GDP ratio rose to 42.0 percent from 39.0 percent in the June quarter and 36.5 percent the previous year.

New Zealand

New Zealand Envoy Calls on Bougainville Rebels To Reexamine Tactics

BK0212055692 Melbourne Radio Australia in English 0500 GMT 2 Dec 92

[Text] New Zealand's high commissioner to Papua New Guinea, John Hayes, has called on the young leaders of rebel units in Bougainville to reexamine their tactics. In a speech at the swearing-in of one of the new interim authorities on Bougainville, Mr. Hayes named five Bougainvillians who he said were responsible for much of the destruction and mayhem in central Bougainville.

Radio Australia's correspondent, Sean Dorney, reports that Mr. Hayes' call on the young leaders to stop behaving like criminals. Mr. Hayes said that New Zealand did not support independence for Bougainville and that the crisis could still be solved by negotiations.